

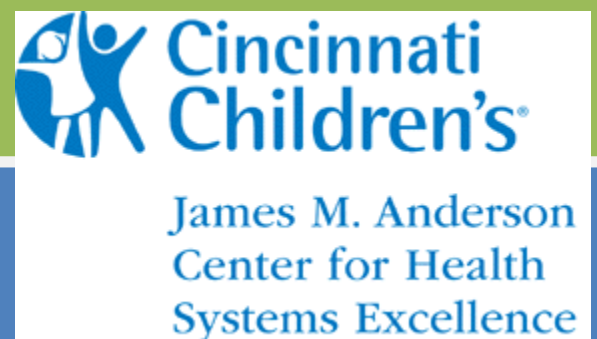


A Steep Climb: High Unemployment and Increased Need for Public Assistance in California

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Executive Summary

In recent years the people of the United States of America have suffered through the most severe recession since the Great Depression.¹ Economists acknowledge that even though an official end date (June 2009) has been given to the recession it can take months or years to fully recover from a downturn.²

California has been one of the states most critically hit by the recession, with an average unemployment rate reaching over 12% in 2010 (with a peak at just over 13% in January 2010).³ At the same time as the population in California was experiencing hardships, the ability of the state to respond was diminished through budget cuts in response to the economic conditions.

This project sought to describe the effects of the economic downturn on Medi-Cal. While effects and needs for services are much broader, the impact of the recession on both Medi-Cal enrollment and on counties coping with increased client need serves as an important and illustrative example. A companion report, “From Big to Small: Californians tell their story about the recession and increased need for public assistance” uses personal stories and surveys of current and potential beneficiaries to paint a picture of effects of the economic downturn on Californians. Major findings from the current report follow.

Medi-Cal enrollment for children increased dramatically from prior to the recession in 2006 through the end of the peak year of 2009 – an increase of 12%.

Increases in unemployment in California were dramatic and preceded increases in Medi-Cal.

- Unemployment increased 5% in 2007 to 11% in 2009.
- Findings are consistent with research that shows when people lose jobs; they also frequently lose health coverage for their families.⁴⁻⁶
- The loss of income (and insurance coverage), resulted in both the need for public assistance, and eligibility for it for these families.

Through surveys and focus groups Medi-Cal eligibility workers gave credence to a sharply increased demand for services.

- Sharply increased workload occurred at the county level at the same time staffing was frozen or cut back due to budget cuts and underfunding.
- Workers also verified that job loss, reduction in hours and outright loss of employer-based health coverage or unaffordable employer coverage were all reasons for the increase in applicants.
- Eligibility workers stressed that the new applicant pool includes many on Medi-Cal for the first time.
 - There are many more complex cases.
 - There are applications from individuals who have no experience applying for public assistance programs of any kind.

A dramatic increase in retention is the driving force behind increased Medi-Cal enrollment.

- The proportion of children coming onto the program increased modestly (from 21% to 23%) as the recession worsened.
- At the same time, the proportion of children dropping from the program declined dramatically – from 24% dropping in 2006 (before the recession) to 19% dropping in 2009.
- County workers in focus groups reported that renewal paperwork was much more likely to be turned in on time by recipients.
- Counties also reported that when paperwork was not turned in a timely manner, there is a much quicker response after a discontinuance notice is sent than in the past, causing eligibility to be restored more quickly.

Hispanic children experienced the highest increase in enrollment.

- From 2006 to 2009 there was a 12% increase in Medi-Cal enrollment across all races/ethnicities, based on enrollment in January 2006 compared to December 2009. The percent change in enrollment between races/ethnicities, however, was quite different.
 - Enrollment of Hispanic children increased by 15%.
 - Enrollment of African American children actually decreased by more than a percent.
- The relatively large percentage increase in enrollment of Hispanic children is especially staggering considering that the distribution of children in Medi-Cal is heavily Hispanic (65% in 2009).

All counties in California saw increases in unemployment during the economic downturn, and all but three of the 58 counties had increased Medi-Cal enrollment of children.

- However, there was great variation in how hard hit the counties were.
- Counties had relatively high unemployment to begin with.
 - 41 of the 58 had unemployment rates in 2006 that were higher than the national average of 4.6%).

The general trend observed indicates that as county groups had a higher change in unemployment, they also had a higher change in Medi-Cal enrollment. There were, however, exceptions to the rule.

Citizenship Documentation provisions were implemented during this time.

- There was no decrease in enrollment during operationalization of citizenship documentation requirements, contrary to expectations that implementation of these provisions would cause a temporary drop in enrollment.
- The recession occurred as counties were operationalizing, and overshadowed any effects of citizen documentation requirement operationalization that may have been seen.

Introduction and Background

In recent years the people of the United States of America have suffered through the most severe recession since the Great Depression of the 1930s.¹ Economists mark December of 2007 as the official beginning of the recession.² Subsequent years brought crises in the housing, credit and financial markets, as housing foreclosures mounted and there have been declines in many industries, such as construction and technology. The recession, which started earlier in California than other states, has led to a halt in people coming to California from other states.⁷ Despite economists officially designating June 2009 as the end of the recession,² since then the crisis has still been felt “on the ground” in the lives of ordinary people. Economists at the National Bureau of Economic Research (NBER) (who are widely deferred to on business cycle dating) acknowledge that even though an official end date has been given to the recession (because a trough in the business cycle occurred then) it can take months or years to fully recover from a downturn.²

California has been one of the states most critically hit by the recession, with the average unemployment rate reaching over 12% in 2010 (with a peak at just over 13% in January 2010).³ The state lost 600,000 construction jobs alone throughout the recession. In late 2010, 8 of the 20 metro areas with the highest home foreclosure rates across the nation were in California.⁸ Personal and business bankruptcies in the state increased 58% in 2009 over the previous year.⁹

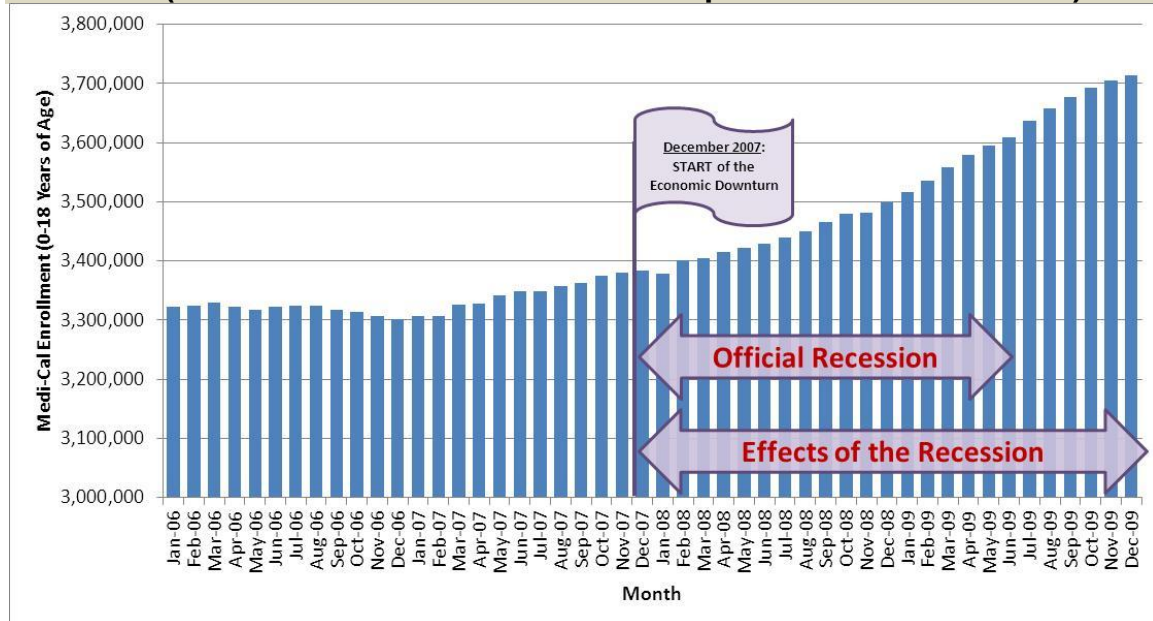
At the same time as the population in California was experiencing hardships, the ability of the state to respond was diminished through budget cuts in response to the economic conditions. In 2010 the state faced an \$18.9 billion shortfall. This has led to drastic cuts in state services such as spending on education. Additionally, the state has been troubled by increasing demand for public assistance despite the budget shortfalls.¹⁰

This paper examines the effect of the economic downturn on the demand for Medi-Cal by California’s children, and the counties’ responses to the demand, in the context of reductions in their own budget. It draws on analyses of Medi-Cal eligibility files as well as county-level data. County-level data collection included a survey sent to all California counties and six focus groups conducted in three counties (2 each in Los Angeles, Riverside, and Sacramento). In this paper, the results of county surveys and focus groups are used to add depth to some of the quantitative findings. Complete reports from the survey and focus groups are in the Appendix. A second paper, examining the effects of the recession on Medi-Cal clients, is a companion piece to this report and adds further depth and detail.

Medi-Cal Enrollments Skyrocketed

Medi-Cal enrollment for children increased dramatically from prior to the recession in 2007 to the end of 2009, as shown in Figure 1. Throughout 2006 and the first two months of 2007, there were just over 3.3 million children 0-18 years of age enrolled in Medi-Cal; by the end of 2009 average enrollment had increased to over 3.7 million child enrollees – an increase of 12% (around 400,000 children).

Figure 1 – Medi-Cal enrollment dramatically increased during the economic downturn (enrollment at the start of 2007 compared to the end of 2009).



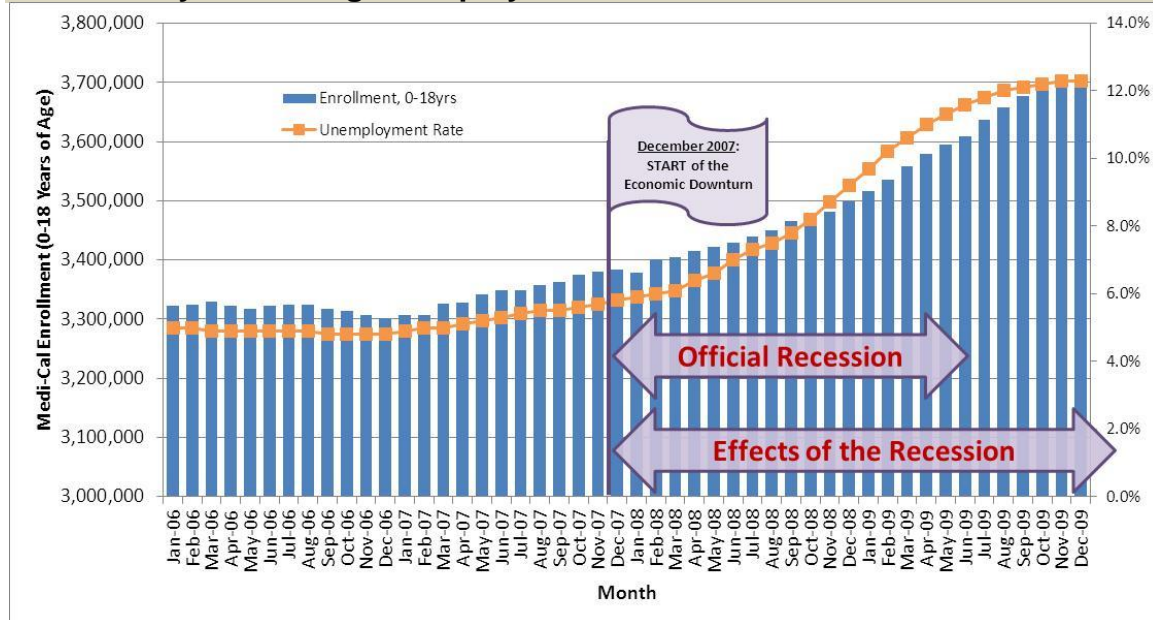
Data Source: 2006-2009 Medi-Cal Eligibility Files (MEDS)

Dramatic increases in Medi-Cal enrollment are likely to signal job loss or other signs of distress; in the aftermath Californians would likely seek public assistance. For that reason unemployment rates were examined in the context of Medi-Cal increases in the next section.

Enrollment Roughly Paralleled, but Lagged, Unemployment

Figure 2 is a replica of Figure 1, except that it adds California's unemployment rate (orange line) to the picture for each month studied. As is clear from this illustration, Medi-Cal enrollment increased as unemployment increased, but lagged unemployment. That is, increases in unemployment were *followed* by increases in Medi-Cal.

Figure 2 – Dramatically increasing Medi-Cal enrollment follows, but lags, dramatically increasing unemployment



Data Sources: 2006-2009 Medi-Cal Eligibility Files (MEDS); American Community Survey

Economists view unemployment as a “lag indicator” in that worsening unemployment follows or “lags” other signs of distress. Similarly, as there is economic improvement, restoration of employment levels generally lags the improvement.¹¹⁻¹³ This might mean that dropping of enrollment to pre-recession levels may take some time as it may lag other indicators of economic improvement, including employment.

Evident from this Figure 2 and from other reports,⁴ when people lose jobs; they also frequently lose health coverage for their families. The loss of income (and insurance coverage), results in both the need for public assistance, and eligibility for it for these families. Increasing enrollment of children in Medi-Cal lagging increases in rates of unemployment shows the severity of the recession on families, and as demonstrated in the next section, additional caseload for state and local public assistance agencies that result.

Focus Groups and Surveys Shed More Light on Effect of Downturn

County workers needed to cope with the increase in applications and enrollment in the midst of a budget crisis and cuts to county budgets. Information from surveys of workers in all counties (48 of California’s 58 counties responded) and focus groups in Sacramento, Riverside and Los Angeles provide additional insights into the impact of the economic downturn on clients as well as impacts on operations at the county level. (See complete reports of both in Appendices A and B).

The picture painted by responses to surveys from all counties was one of sharply increased demand for services, resulting in increased workload at the same time that staffing levels were being frozen or cut back due to budget cuts and underfunding. County respondents repeatedly indicated a strong commitment to high quality customer service and a feeling of frustration that services had suffered due to the combination of increased demand and reduced staffing. Counties reported making many changes – to staffing patterns, workload distribution, and technology—in an attempt to keep pace with demand and enhance customer service.

County workers in focus groups added further detail to the survey results. They underscored the increase in applications, and added that job loss, reduction in hours and outright loss of employer-based health coverage or unaffordable employer coverage were all reasons for the increase in applicants. They stressed that the new applicant pool included many seeking Medi-Cal for the first time. From the county workers' perspective, this meant that there were more applications from individuals who had no experience applying for public assistance programs of any kind. Many also were unaware of resources in the community such as food banks and assistance with utility payments. These individuals often needed more time from the county worker.

“I think there’s a little bit more time we’re spending with them trying to explain the process, first of all what Medi-Cal is for, and why they are not eligible, why they have a share of cost, what other resources are out there. They don’t know about Healthy Families. They don’t know about Medically Indigent Services Program. So that’s a little bit more time you spend with them explaining all of that.”

- Riverside County Worker

The amount of paperwork to apply for Medi-Cal was also a surprise to clients who were new to the program, especially when many were told at the end that they are not eligible for free coverage.

“It doesn’t make sense to them, because they don’t have a job. They have just completed this unbelievable amount of paperwork with very probing questions that are very stressful for them, and they find out that they aren’t really getting any help.”

- Sacramento County Worker

Workers were seeing more complex situations leading to more complex eligibility determinations. For example, many of the workers interviewed stated that a notably higher percentage of applicants had property, homes, cars, retirement accounts, life insurance policies and other assets that must be valued and taken into consideration in the eligibility determination. Workers tied this trend to more applicants having recently lost good-paying jobs. Furthermore, people do not realize how poor someone really has to be to be on Medi-Cal. One eligibility worker commented that people are “astounded, because they have paid into the system all their life and now they need help” but cannot get it due to still being over the resource limit despite hardship.

“People are used to living a certain way, and the conversation doesn’t go so well when you try to explain to them how Medi-Cal works. People say, ‘I’m so embarrassed I’m in here.’ You have people who are so in need, and you just can’t help them sometimes.”

- Riverside County worker

“People seem to worry that if they tell us everything they have, they may not be eligible. There is so much out there that they might be eligible for...but we need the information. You send them a list of things you need, and then they send some of that back to you...The questions are quite invasive. For people who have never been in the system, they are like, ‘Why do you need all this information?’”

- Sacramento County worker

Retention of eligibility was reported to be complicated by the mobility of families and individuals served by Medi-Cal. Several focus group participants mentioned that their clients appeared to be changing addresses and phone numbers more often due to the recession – moving from a home they own to a rental property or back in with parents. This has led to a need for more case maintenance at a time when the budget climate does not allow for such increased services.

Additionally, workers indicated that at the same time as funding has been cut for case management in other programs outside of Medi-Cal, they have been getting broader types of questions from their recipients, and are more often asked for help with other programs and services available from the county or community. Workers expressed some frustration that they often were unable to assist their clients with resolving these broader questions, though most indicated that they attempted to connect the client with the relevant state or county department that could help them.

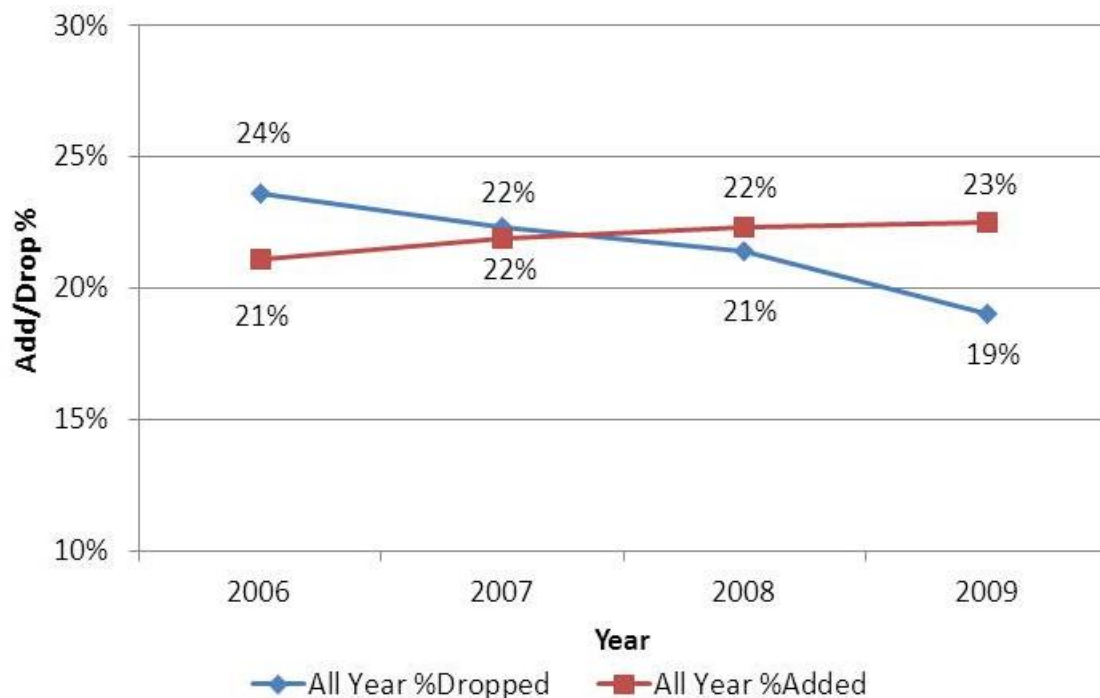
Increased Enrollment is Largely Due to Better Retention (that is, fewer children dropping off)

In normal years, there are high levels of churning in Medi-Cal; that is, children have a lapse in coverage (often at the point of renewal) only to return after a short time.¹⁴⁻²⁰ The turnover as children come on, drop off, and sometimes come on again is a feature of Medi-Cal in California and Medicaid nationally. This analysis shows the on-off turnover trend in California during the recession, and presents some surprising differences.

Figure 3 shows that in 2006, before the recession, 21% of the population of Medi-Cal children were new enrollees or “returnees” to the program; these children could have lost Medi-Cal coverage and returned or could have been brand new to the program. Also, in 2006 approximately 24% of the population dropped out of the program (again, some of these children may have subsequently returned to coverage).

Also seen in Figure 3 is the proportion of children coming onto the program and dropping off as the recession worsened. The proportion of children coming onto Medi-Cal increased very slightly – from 21% to 23% between 2006 (before the recession) to 2009. However, the proportion of children dropping from the program declined dramatically – from 24% dropping in 2006 (before the recession) to 19% dropping in 2009.

Figure 3 – Children are staying on Medi-Cal during the recession: drop-off rates declined dramatically; the rate of new enrollees increased slightly



Data Source: 2006-2009 Medi-Cal Eligibility Files (MEDS)

The dramatic increase in retention is the driving force behind increased Medi-Cal enrollment. This means that during the recession families appear to be taking additional steps to remain covered (e.g., getting paperwork in on time).

Our data do not enable us to give the reasons for the markedly higher retention, but we may speculate that during the recession, as family financial circumstances worsened, families depended more heavily on social supports and were especially vigilant in renewing on time. Further, families might need other supports, such as Supplemental Nutrition or Temporary Assistance for Needy Families (TANF), and coming in for these programs offers an opportunity to enroll their children in Medi-Cal as well.

It is also important not to overlook that even though stressed by increasing numbers of enrollees, the state and its counties had been working on strategies to enroll and retain more eligible children. However, California, as a result of its own budget crisis, substantially cut funding for outreach. These cuts included elimination of funds to Certified Application Assistors, cited by state officials as “the most effective direct tool that led to actual enrollments and re-qualifications.”²¹ The decrease in drops from Medi-Cal coverage despite these cuts, as well as the overall increase in enrollment, reinforce that during the time of the economic downturn people were especially diligent in retaining public assistance.

Surveys and Focus Groups Confirmed Families Inclined to Retain Benefits

The general consensus across all focus groups of county workers was that two things were being observed most often. The first was that there was a greater likelihood that paperwork was turned in on time by recipients. When recipients did not respond, workers observed that it often was because they had changed addresses, moved in with family or friends and/or had their phone changed or disconnected. Second, even if paperwork was not turned in on time, there was a much quicker response after a discontinuance notice was sent than in the past, causing eligibility to be restored more quickly (often before the case was officially discontinued, due to the fact that Medi-Cal eligibility is done on a full-month basis). If a recipient responds with the necessary information within 30 days of the discontinuance notice being sent, their coverage can be restored without requiring a lengthy reapplication process.

“They understand that notice. Once you send it out, they say, ‘Hey!’ and call right away.”

- Los Angeles County Worker

With respect to the survey, only two counties (out of 48 respondents) indicated that applications were not increasing. Of these, one noted that its Medi-Cal caseload was still going up despite the number of applications received being flat. According to this large county:

“While we have not seen an increase in applications (the number is relatively flat), we've seen a growth in caseload and recipients. This leads us to believe that folks are staying on the program longer (reduced churn). Also, because we use integrated workers in intake, the huge growth in Food Stamp applications and moderate growth in CalWORKs applications have negatively impacted all of our intake operations.”

- Large County Survey Respondent

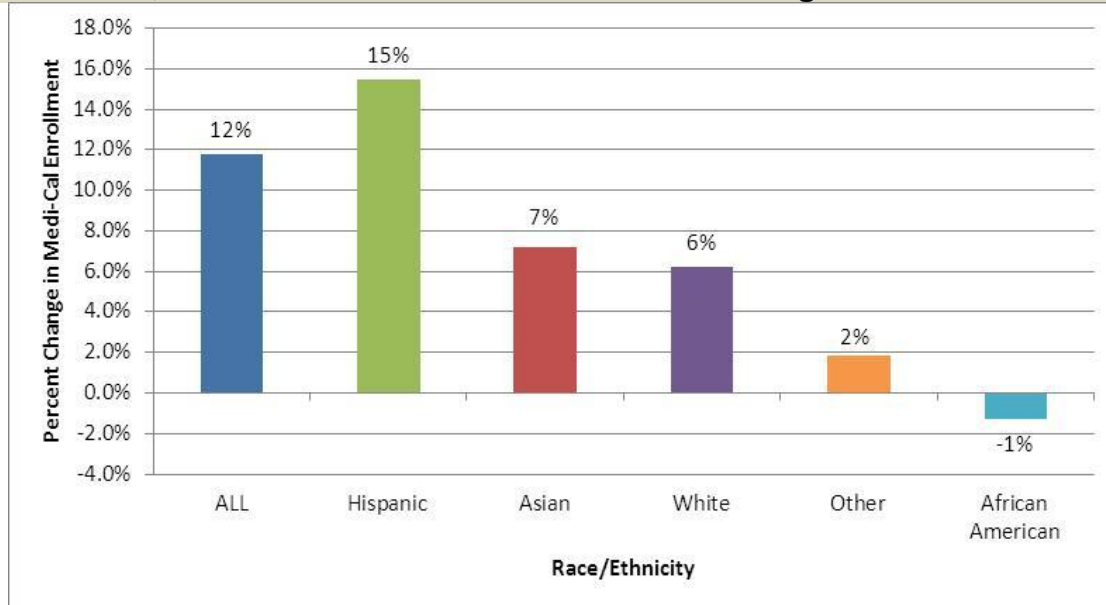
Which Californians Were Most Affected?

Previous sections have looked at enrollment and retention during the recession for all of California and by each of its counties as well as whether changes in the economic indicator of unemployment corresponded to changes in Medi-Cal enrollment. In this section examination turns to which people have been most affected by the economic downturn and how that is reflected in Medi-Cal enrollments. Specifically, the characteristics of race and county of residence are addressed. This analysis allows examination of disparities that existed in the effects of the recession on Medi-Cal across various groups.

Hispanic Children Experienced the Highest Increase in Enrollment

First, the economic downturn's effect on different racial/ethnic groups across the years was examined. As illustrated in Figure 4, when comparing January 2006 to December 2009 there was a 12% increase in Medi-Cal enrollment across all races/ethnicities. The percent change in enrollment between races/ethnicities, however, was quite different. Enrollment of Hispanic children increased by 15%, while that of African American children actually decreased by just over one percent. Asian and White children's enrollment levels increased as well, but by less than the state percent increase (7% and 6% respectively).

Figure 4 – Hispanic children had the highest percentage increase in enrollment, while African American children saw a slight decline.

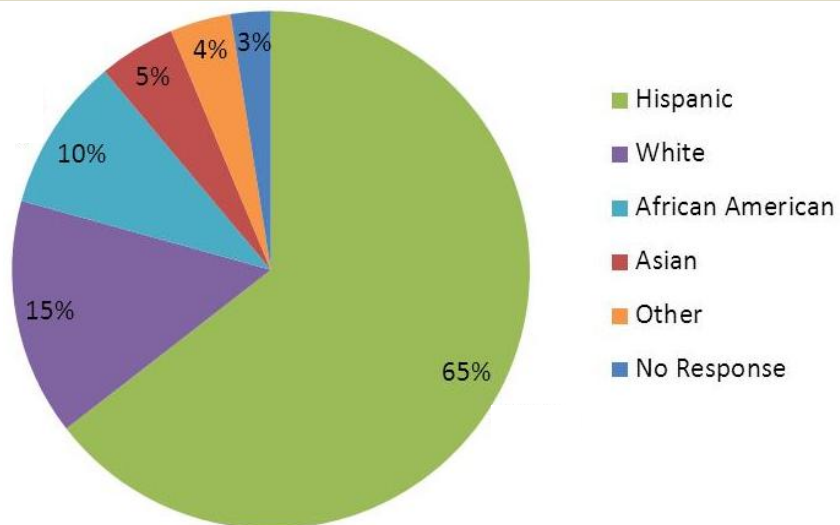


Data Source: 2006-2009 Medi-Cal Eligibility Files (MEDS). Percent change is based on difference in monthly enrollments from January 2006 to December 2009.

The relatively large percentage increase in enrollment of Hispanic children is especially staggering when considering that the distribution of children in Medi-Cal is heavily Hispanic (65%) as shown in Figure 5 (green slices). The proportion of Hispanic children enrolled was up 2% in 2009 compared to 2006. Even a mere 2% increase, however, translates into 250,000 more Hispanic children enrolled in Medi-Cal. This pie chart also indicates that the proportions of White and Asian children are remaining relatively steady.

Figure 5: Hispanic children make up the greatest proportion of enrollment.

Race/Ethnicity
Distribution for
Medi-Cal Enrollment
Children 0-18 years;
2009

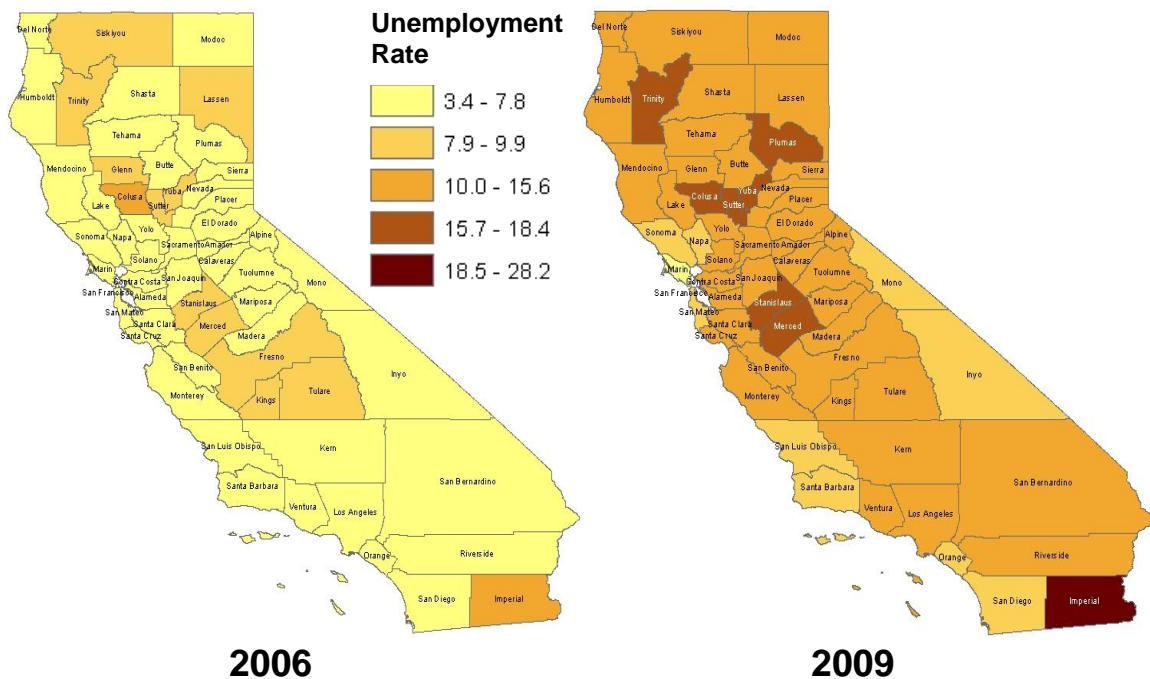


Data Source: 2009 Medi-Cal Eligibility Files (MEDS)

Every California County Saw Increased Unemployment

All counties in California saw increases in unemployment during the economic downturn, as shown in Figure 6. As can be seen from this figure, however, there was great variation in how hard hit the counties were. In the figure, dark green corresponds to the lowest unemployment rate, followed by light green, yellow, orange, and red as the highest unemployment rate.

Figure 6: All California counties saw an increase in unemployment rate between 2006 and 2009.

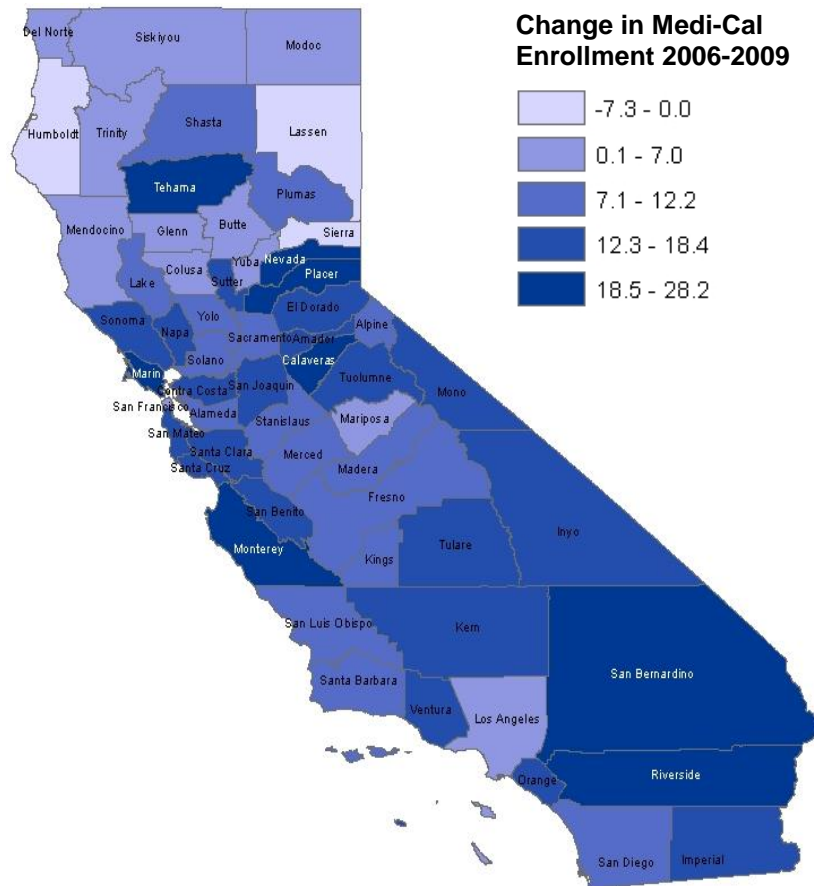


Data Source: American Community Survey

Nearly Every California County Saw Increased Enrollment of Children in Medi-Cal

Figure 7 illustrates the *change* in Medi-Cal enrollment for children in each of the counties of California and indicates that enrollment increased in all except three counties (Humboldt, Lassen, and Sierra indicated by the lightest blue in the figure). The darker the blue in the figure the greater the increased change in Medi-Cal enrollment of children. As found and reported earlier in this paper, the increased Medi-Cal enrollment was likely due to effects of the economic downturn such as increased unemployment rates, to which enrollment rates corresponded but lagged.

Figure 7: All but three California counties had an increase in children enrolled in Medi-Cal from 2006 to 2009. These increases varied widely.



Data Source: 2006 and 2009 Medi-Cal Eligibility Files (MEDS)

The enrollment picture shown in Figure 7 can be compared to the unemployment rates and changes in those rates (Figure 6) to determine whether there is a correlation between the two. Namely, if a county had a high change in unemployment was there also a high change in Medi-Cal enrollment.

Are Changes in Unemployment and Medi-Cal Enrollment Related?

Table 1 shows all 58 individual counties arranged in order of *change* in unemployment. Often, but not always, these counties had relatively high unemployment to begin with (41 of the 58 had unemployment rates in 2006 that were higher than the national average of 4.6%).²² The table displays all 58 counties arranged in four groups, from lowest to highest change in unemployment.

Table 1:

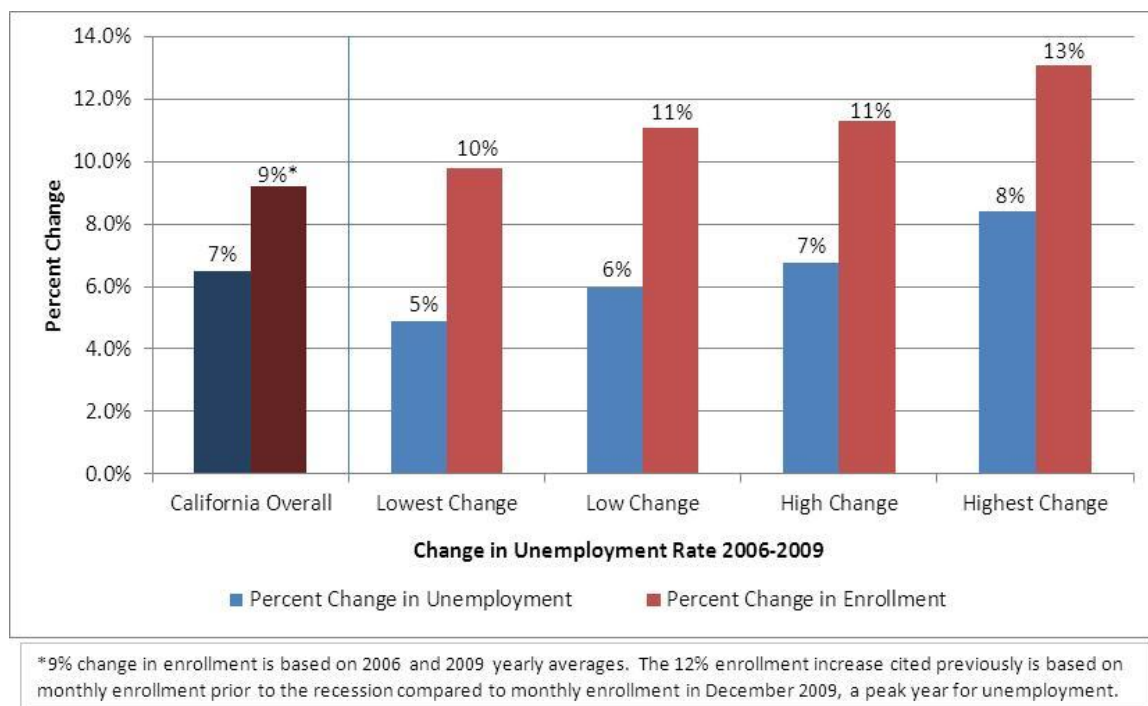
Change in Unemployment Rate vs Medi-Cal Enrollment - Counties are ordered and grouped by change in unemployment rate from 2006 to 2009.

	Δ Unemployment Rank (Lowest to Highest)	2006 Unemployment Rate	2009 Unemployment Rate	Δ Unemployment Rate 2006-2009	2006 Average Medi-Cal Enrollment	2009 Average Medi-Cal Enrollment	Δ Average Medi-Cal Enrollment 2006-2009	% Change in Medi-Cal Enrollment 2006-2009
Lowest Change in Unemployment Rate	Marin	3.50	7.80	4.30	7,239	8,694	1,455	20.1%
	Santa Barbara	4.00	8.40	4.40	36,845	41,098	4,253	11.5%
	Inyo	4.60	9.10	4.50	1,419	1,611	192	13.5%
	Mono	4.40	9.10	4.70	715	815	99	13.9%
	Napa	3.90	8.70	4.80	6,518	7,645	1,127	17.3%
	San Francisco	4.20	9.00	4.80	37,857	38,848	992	2.6%
	San Mateo	3.70	8.60	4.90	28,219	32,321	4,102	14.5%
	Lassen	7.90	12.90	5.00	2,457	2,344	-113	-4.6%
	Mariposa	5.70	10.70	5.00	1,096	1,172	76	7.0%
	Modoc	7.80	12.90	5.10	949	952	3	0.3%
	Monterey	6.90	12.00	5.10	39,024	47,114	8,089	20.7%
	San Luis Obispo	3.90	9.00	5.10	14,160	15,657	1,497	10.6%
	Del Norte	6.90	12.20	5.30	3,494	3,679	184	5.3%
	Mendocino	5.20	10.50	5.30	9,892	10,321	428	4.3%
	County Group	Unweighted Average:			Unweighted Average:			9.8%
Low Change in Unemployment Rate	Humboldt	5.50	11.00	5.50	11,449	11,305	-144	-1.3%
	Orange	3.40	9.00	5.60	189,660	213,925	24,265	12.8%
	San Diego	4.00	9.70	5.70	173,837	194,080	20,243	11.6%
	Santa Cruz	5.60	11.30	5.70	18,227	20,553	2,327	12.8%
	Sonoma	4.00	9.70	5.70	23,232	27,495	4,263	18.4%
	Ventura	4.30	10.00	5.70	55,832	65,127	9,295	16.6%
	Colusa	12.40	18.40	6.00	2,485	2,632	147	5.9%
	Contra Costa	4.30	10.30	6.00	55,325	62,973	7,647	13.8%
	Solano	4.90	10.90	6.00	28,254	31,698	3,444	12.2%
	Yolo	5.20	11.30	6.10	13,697	15,027	1,330	9.7%
	Kings	8.40	14.60	6.20	17,727	19,503	1,776	10.0%
	Alameda	4.40	10.70	6.30	95,910	103,389	7,479	7.8%
	Butte	6.20	12.50	6.30	21,391	22,211	821	3.8%
	Nevada	4.40	10.70	6.30	3,717	4,524	807	21.7%
	County Group	Unweighted Average:			Unweighted Average:			11.1%
High Change in Unemployment Rate	Amador	5.30	11.70	6.40	1,557	1,841	284	18.2%
	Placer	4.20	10.60	6.40	10,682	13,259	2,577	24.1%
	Glenn	8.10	14.60	6.50	3,545	3,655	111	3.1%
	Sacramento	4.80	11.30	6.50	139,563	152,833	13,271	9.5%
	Santa Clara	4.50	11.00	6.50	100,725	113,897	13,172	13.1%
	El Dorado	4.60	11.30	6.70	6,956	8,170	1,215	17.5%
	Los Angeles	4.80	11.60	6.80	1,174,746	1,176,484	1,737	0.1%
	Madera	7.00	13.80	6.80	20,091	22,387	2,296	11.4%
	Siskiyou	8.00	14.80	6.80	4,254	4,382	128	3.0%
	Tulare	8.50	15.30	6.80	78,564	88,694	10,130	12.9%
	Tuolumne	5.80	12.60	6.80	3,093	3,508	415	13.4%
	Kern	7.50	14.40	6.90	111,254	126,930	15,676	14.1%
	Fresno	8.00	15.10	7.10	145,804	162,887	17,083	11.7%
	San Benito	7.10	14.30	7.20	4,388	4,975	587	13.4%
	Trinity	9.90	17.30	7.40	1,173	1,224	52	4.4%
	County Group	Unweighted Average:			Unweighted Average:			11.3%
Highest Change in Unemployment Rate	Alpine	6.80	14.40	7.60	98	107	10	9.8%
	Sierra	7.60	15.20	7.60	193	179	-14	-7.3%
	Tehama	6.50	14.10	7.60	6,866	8,191	1,325	19.3%
	Merced	9.40	17.20	7.80	39,245	42,989	3,744	9.5%
	Lake	7.70	15.60	7.90	6,419	7,109	690	10.8%
	San Joaquin	7.40	15.40	8.00	75,157	86,012	10,855	14.4%
	Stanislaus	8.00	16.00	8.00	59,411	65,977	6,567	11.1%
	Sutter	9.00	17.00	8.00	9,552	11,089	1,537	16.1%
	Calaveras	5.90	14.10	8.20	2,279	2,852	573	25.2%
	San Bernardino	4.80	13.00	8.20	201,547	244,870	43,323	21.5%
	Shasta	6.60	14.90	8.30	15,782	17,218	1,436	9.1%
	Yuba	8.80	17.30	8.50	9,392	9,894	502	5.3%
	Riverside	5.00	13.60	8.60	162,041	207,662	45,621	28.2%
	Plumas	7.80	16.50	8.70	1,106	1,207	101	9.1%
	Imperial	15.40	28.20	12.80	22,602	25,848	3,246	14.4%
	County Group	Unweighted Average:			Unweighted Average:			13.1%
California Overall		4.90	11.40	6.50	3,318,707	3,623,041	304,334	9.2%

Data Sources: 2006-2009 Medi-Cal Eligibility Files (MEDS); American Community Survey

Figure 8 illustrates the relationship between change in unemployment and change in Medi-Cal enrollment. The figure shows that overall as county groups had a higher change in unemployment they also had a higher change in Medi-Cal enrollment. There were, however, exceptions to the rule and this was by no means the case in each individual county. Table 1 contains unemployment and enrollment detail for 2006 and 2009 at the county level, and shows that there were counties with large changes in unemployment with relatively small changes in Medi-Cal enrollment. Likewise, there were counties with less of a change in unemployment that still had a higher change in Medi-Cal enrollment.

Figure 8: Counties with the highest increase in unemployment rate generally also had higher a higher rate of change in Medi-Cal enrollment.



Data Sources: 2006-2009 Medi-Cal Eligibility Files (MEDS); American Community Survey

Some counties seemed to be in particularly hard hit by the recession. These counties had both a high rate of change in unemployment and a high rate of change in Medi-Cal enrollment, and included: Alpine, Calaveras, Imperial, Lake, Riverside, San Bernardino, San Joaquin, Stanislaus, Sutter, and Tehama. Riverside County showed the greatest increase in Medi-Cal enrollment along with a high increase in unemployment. Imperial County (which consistently had the highest rate of unemployment) also had the highest rate of change in unemployment.

Figure 9 shows a summary of the relationship of counties' rates of unemployment before the recession (in 2006) to the Medi-Cal enrollment increase seen through the recession. Many counties with higher unemployment prior to the recession (Colusa, Glenn, Plumas, Sierra, Siskiyou, Trinity, and Yuba), had a relatively low increase (or decrease) in enrollment. These counties had some of the highest unemployment rates in the state before the recession, and so already had high rates of people covered by Medi-Cal before the recession; in essence, they had reached their enrollment saturation point. Imperial County seems to illustrate this as well, as it had by far the highest change in unemployment of any county, but was outpaced by many others in the increase in enrollment.

Counties' Medi-Cal rates also seemingly more affected by the downturn were most of the counties that had unemployment rates of 5% or less in 2006 (less than California's average). 20 out of 23 of these counties had changes in enrollment greater than California's average (9%). The exceptions were Los Angeles County and the Bay Area counties of San Francisco and Alameda. The clearest explanation why these counties with relatively low unemployment had high Medi-Cal increases is that these economically rich counties did not have as many individuals enrolled in Medi-Cal to begin with, so there were more people in the population that, when affected by unemployment, needed public coverage and did not already have it.

Figure 9: Counties with low unemployment prior to the recession were more likely to experience dramatic increases in Medi-Cal enrollment.

		<u>Pre-Recession Unemployment Rate</u>	
		High	Low
<u>Medi-Cal Enrollment Increase</u>	High	20 Counties	20 Counties
	Low	15 Counties	3 Counties

High/Low compared to California's 2006 unemployment rate and 2006-2009 change in Medi-Cal enrollment.
Data Sources: 2006-2009 Medi-Cal Eligibility Files (MEDS); American Community Survey

Los Angeles County had enrollment levels in 2006 (average 1,174,746 children) that matched its 2009 levels (average 1,176,484 children); however, enrollment reached a low in the county in 2007-2008 (average of over 1,150,000 each year). Thus, although it appears to be an anomaly when comparing 2006 and 2008, its low point in enrollment really just occurred at a different point in time than other counties. Although this 2% increase in enrollment from 2007/2008 to 2009 is not as large as other counties, it still accounts for a considerable number of children (around 25,000) since Los Angeles County is so much larger and has so much more enrollment than other counties (The next closest is San Bernardino at over 200,000 children enrolled).

Other counties seemed to not be as affected by the recession. These included: Del Norte, Humboldt, Lassen, Mariposa, Mendocino, Modoc, and San Francisco which had both a low change in unemployment and a low increase or a decrease in enrollment.

Within Medi-Cal each county is responsible in large part for administration of the program, therefore there is potential for variation in enrollment from county to county. Beyond this, the socioeconomic and demographic makeup of every county is different, leading to effects of the recession being experienced in different ways depending on county of residence. The next section on focus groups and surveys of county workers illustrate differences in the counties' changes in caseload and methods for dealing with that change in times of budget cuts.

Focus Groups and Surveys of County Workers Illustrated Differences from County to County

Project surveys and focus groups did not show differences based on differences in caseload. Perhaps this is because large counties already had larger staff in proportion to the flow of clients. There were, however, differences in how counties responded to the influx of new clients. Each of the three counties in which focus groups were conducted responded differently to the increased workload due to the recession, coupled with the budget cuts faced. On a larger scale, the 48 counties that responded to the survey reported differences.

Increases in Caseload Varied from County to County

From July 2007 to July 2009, the statewide Medi-Cal caseload increased from 6.55 million to nearly 7.1 million, an 8.3 percent increase. Over that time period, counties saw increases ranging from just 0.2 percent in Lassen County to 22.9 percent in Calaveras County (both smaller counties). Among larger counties, the increases ranged from 2.7 percent in Los Angeles County to 18.8 percent in Riverside County.

Counties that were tracking the reasons clients submitted applications indicated that they were seeing an influx of applicants who had recently lost a job or had their hours scaled back (8 counties), more two-parent families applying than in the past (3 counties), and an increase in workers whose employers had cut or scaled back medical coverage (2 counties). All of these increase reasons were echoed by eligibility workers and supervisors interviewed in project focus groups.

“An average of 32.5 percent of Medi-Cal applicants surveyed in 2009 stated that they were applying because their earnings decreased or stopped.”

- Large County Survey Respondent

A different large county also noted that eligibility workers were receiving more changes reported to existing cases than in the past, something that the eligibility workers and supervisors interviewed in focus groups also consistently noted.

Increases in demand also carry physical consequences. Numerous media accounts have been published during the recession of crowded waiting rooms and lines forming well before county offices open.

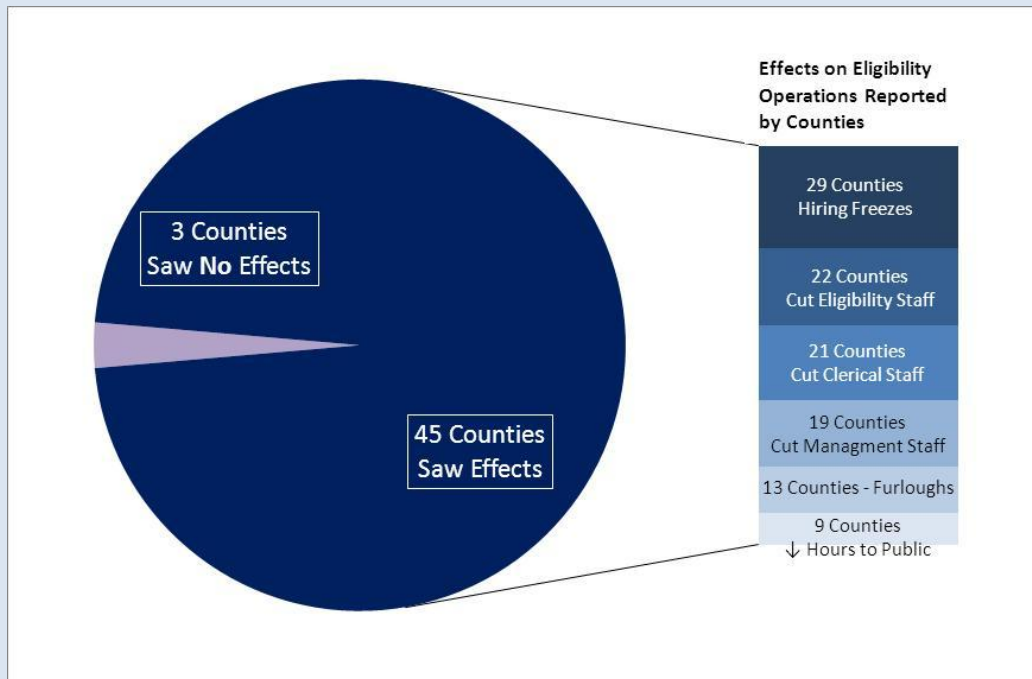
“Due to the recession, there are more people waiting in our lobbies, which has caused us to look to make changes in our lobby management practices. Often times the lobby is crowded with long lines and a shortage of seating.”

- Medium County Survey Respondent

Counties Responded to Budget Cuts Differently

Only three of the 48 respondents indicated that the recent budget cuts and underfunding had not had any effect on their eligibility operations. For the other 45 counties, the most common impact was the institution or maintenance of a hiring freeze (29 counties), followed by loss of eligibility staff (22 counties), clerical staff (21 counties) and management staff (19 counties). Other effects observed by counties included the institution or maintenance of furloughs for staff (13 counties) and reduced public office hours (9 counties). Respondents could choose more than one answer from this list.

Figure 10: Nearly every county surveyed reported effects of the economic downturn on their eligibility operations.



Thirteen of the counties indicated that loss of eligibility staff was the most critical impact they had experienced, with 10 indicating that hiring freezes were the most critical.

This question also included an open-ended section in which counties were given an opportunity to comment. Some representative comments included:

“While we have not laid off staff supporting the Medi-Cal program, we have not been able to keep up with the increase in applications, resulting in increasing challenges in providing timely customer service and access to benefits.”

- Small County Survey Respondent

“Reinvestigations on existing cases are not being conducted timely, new applications take longer to process. We have more applications/cases but the same number of workers.”

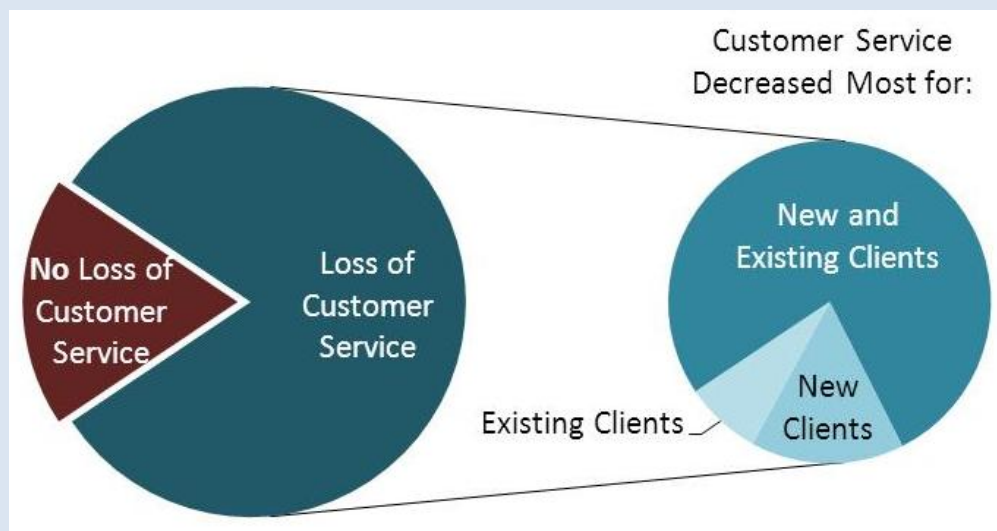
- Small County Survey Respondent

“Pulled in out stationed staff; in the process of closing and/or consolidating bureaus; have cut lobby hours to allow processing time.”

- Large County Survey Respondent

Counties overwhelmingly indicated that these impacts had resulted in reduced customer service (39 out of 48). For counties stating that customer service had diminished, 76.3 percent (29 counties) indicated that customer service had decreased about the same for both new clients and clients with existing cases. Six counties, or 15.8 percent, indicated that customer service had decreased for new clients more than for existing clients, with the remaining 3 counties (7.9 percent) indicating that customer service had decreased most for existing clients.

Figure 10: A majority of the surveyed counties reported the economic downturn led to a decrease in customer service.



The 39 counties indicating diminished customer service also were asked about the specific types of issues that they were observing. Counties could choose more than one answer from a list. The four most commonly observed customer service issues were:

- There is a longer wait for application processing/eligibility determination. (35 counties)
- We are having difficulty processing annual redeterminations in a timely manner. (31 counties)
- Workers are less responsive to calls and requests for information or help because they are so busy. (31 counties)
- There is a longer wait for a face-to-face meeting with eligibility staff. (30 counties)

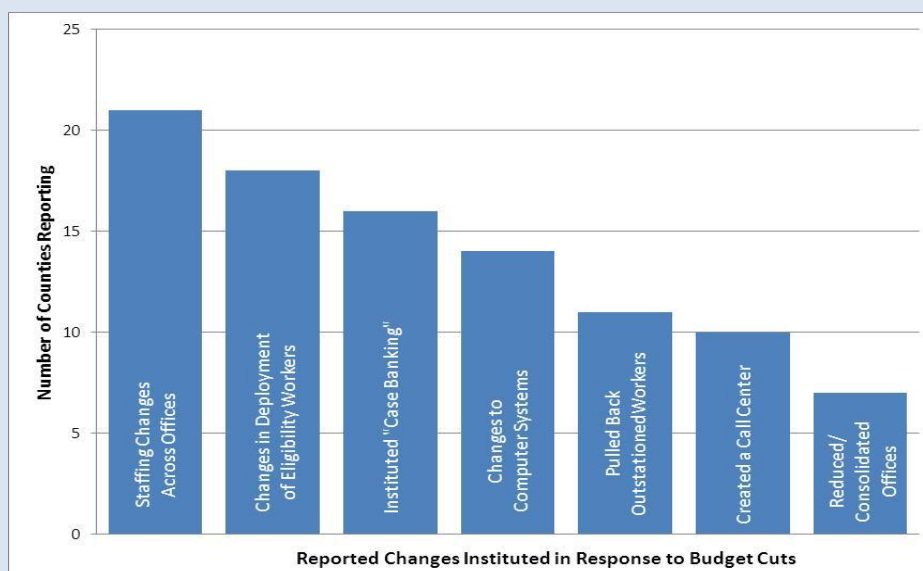
Of these choices, respondents selected the longer wait times for application processing as the most critical customer service effect of budget cuts and underfunding (24 counties), followed by difficulty processing annual redeterminations (7 counties) and less responsive workers due to increased workload (5 counties).

County Operational Responses to Cuts and Underfunding

Counties were asked how they have responded to the cuts and underfunding, such as efforts they have undertaken to increase efficiency and handle increased caseload demand without hiring new staff. Nearly 90 percent of respondents (40 counties) indicated that they had made changes to their operational structures in order to respond to budget cuts and/or enhance efficiency. Only six counties – five small counties and one large county – indicated that they had not done so.

Counties indicating that they had made operational changes were asked for specific information about those changes. A little more than half of the 40 counties (21) indicated they had made staffing changes across offices; 18 indicated they had changed how they deploy eligibility workers (i.e., moving from generic workers with cross-program responsibility to program-specific workers, or vice versa); and 16 stated that they had instituted “case banking,” where a portion of the caseload has no regular assigned worker. About one-third (14 counties) had made changes to computer systems to help eligibility staff do more, 11 had pulled back outstationed workers, and 10 indicated that they had created a call center. Just 7 counties indicated that they had reduced or consolidated physical offices.

Figure 11: County agencies reported various responses to budget cuts during the economic downturn.



Counties indicated they have moved staff into the Medi-Cal unit from other programs, have cross-trained staff in multiple program areas, have rethought how they use clerical staff (in some cases making greater use of clerical staff and in other cases less use), and have developed more of a team staffing approach to cases.

“We continue to try strategies to resolve the decrease in service delivery through streamlining process and reorganization of staff,”

- Small County Survey Respondent

“We have changed many practices to improve efficiency over the last couple of years. We are currently cross training all Medi-Cal eligibility staff in the Food Stamp program. This will allow us to shift staff between programs. This is an important budget strategy due to funding uncertainty.”

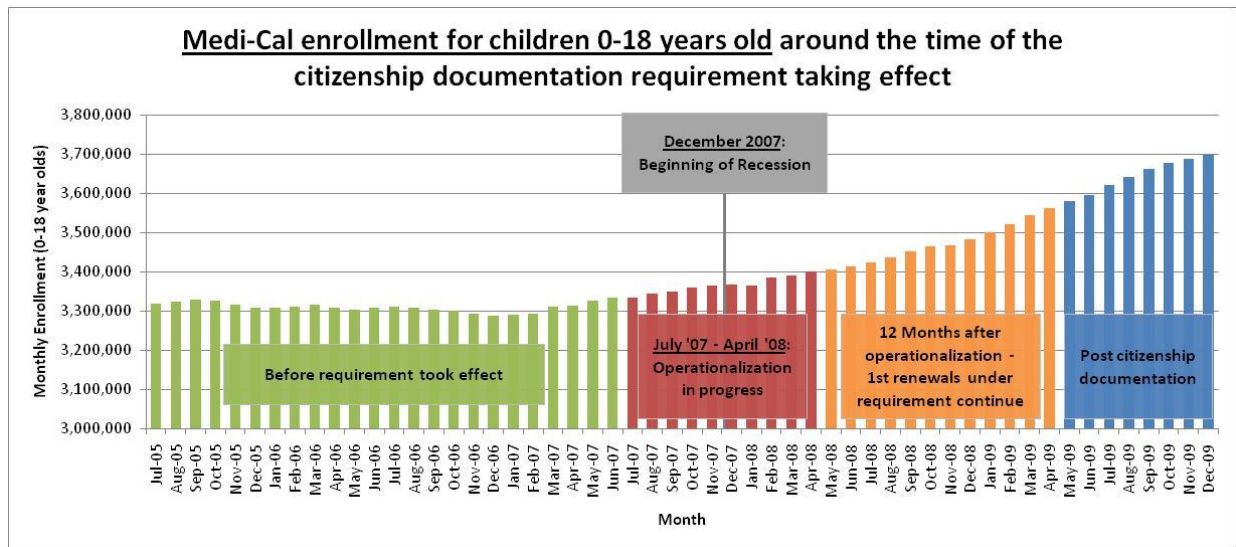
- Large County Survey Respondent

Citizenship Documentation Provisions Were Implemented During This Time

Citizenship documentation provisions were operationalized in July of 2007, and virtually all counties had begun enforcing the provision by April 2008. This meant that at the time of enrollment or time of renewal, families would need to prove both identity and citizenship, typically with a birth certificate and state issued ID (driver's license) or documentation of naturalization. It was expected that implementation of these provisions would cause a temporary drop in enrollment because some families would not be able to assemble needed documentation by their renewal date and would lose coverage while others would delay enrolling while they were assembling paperwork.

The recession of 2007 occurred as counties were operationalizing, and overshadowed any effects of citizen documentation requirement operationalization that may have been seen as shown in Figure 9. For more information on the effects of the citizenship documentation, please read this report's companion paper “Effects of the Citizenship Documentation Provision of the Deficit Reduction Act of 2005 on Medi-Cal: Overview and Analysis.”

Figure 9 – Overall enrollment of children in Medi-Cal began to dramatically increase, despite DRA



Data Source: 2005-2009 Medi-Cal Eligibility Files (MEDS)

Conclusions

The economic downturn that officially began in December 2007 had a profound impact on the lives of California's citizens, as well as the state's ability to aid those hardest struck by the poor economic times. Medi-Cal enrollment for children climbed dramatically in response to the recession; most likely a result of increased unemployment. Throughout the recession, increases in unemployment were followed by increases in enrollment. County workers affirmed a sharply increased demand for services despite cuts in their own staffing levels. They cited job loss, reduction in hours, and outright loss or unaffordability of employer-based health coverage as reasons for the influx.

The increase in enrollment resulted from better retention of Medi-Cal coverage for children, seen through slightly increasing new enrollment combined with dramatically declining drops from coverage. A possible reason for better retention may be that during the recession as family financial circumstances declined they depended more heavily on social supports and were especially vigilant about renewing on time. There may have also had increased connections to the social services system through needed assistance such as supplemental nutrition and cash assistance that gave increased opportunities to enroll and renew coverage in Medi-Cal as well. County assistance workers reinforced that families were more inclined to retain benefits since the start of the recession.

Although arguably all Californians felt the effects of the recession, Medi-Cal enrollment for Hispanic children increased more than for other racial/ethnic

groups between 2006 and 2009. This is especially dramatic when considering over half of child enrollment is made up of those of Hispanic race/ethnicity, and this proportion has increased over the years.

Every California county saw increased unemployment rates in 2009 over 2006. However, the way Medi-Cal enrollment reacted to those unemployment rates from county to county widely varied. Generally, counties with higher rates of change in unemployment saw higher rates of change in Medi-Cal enrollment.

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Appendix A – 2010 Focus Groups of County Eligibility Workers

Focus groups of eligibility workers and supervisors were conducted in three counties during the course of the year: Sacramento (March 31, 2010), Riverside (July 26, 2010), and Los Angeles (September 1, 2010). Two focus groups were conducted in each county during the visit, for a total of six focus groups. Each group was composed of six to 12 participants, a majority of whom were front-line eligibility workers. A few of the participants self-identified that they had at one time been recipients of Medi-Cal or other public assistance, bringing a unique dual perspective to the conversation.

The groups included workers who carried child and family caseloads as well as focused caseloads/long-term-care caseloads, focused on both intake (new applications) and ongoing eligibility (maintenance on existing cases). Many had other specialized skills such as fluency in Spanish, Russian, or Chinese. The experience level of the groups ranged from relatively new eligibility workers (one to three years' experience) to workers who had been on the job for 15 years or longer.

Focus group participants were asked a standardized set of questions regarding the impacts of the recession on their clients, trends they were observing, and effects of higher caseloads and budget cuts on their day-to-day work. The focus groups were all run by the same researcher. The group discussions typically lasted 90 minutes to two hours. Notes were taken at each session, and the group sessions were also audio-taped.

Client Trends

Participants were first asked to focus on the applications that they were receiving and processing in their offices.

Q: Have you noticed an increase in applications?

In all three counties, workers indicated that applications and related workload had increased during the recession. Sacramento County workers, who were interviewed on March 31, 2010, noted that they had seen a particular increase around the December 2009 holidays, but that application activity had “died down” since the holiday period. Others in Sacramento County noted that their application numbers had increased throughout 2009, but that 2010 monthly application numbers were, so far, down from 2009 numbers.

Q: Do you see more people applying because they have lost their jobs altogether? What about reduced hours, reduced health coverage at their jobs?

Job loss, reduction in hours, and outright loss of employer-based health coverage or unaffordable employer coverage were all reasons cited by focus group workers.

“I see a lot of clients who are working at, like, Target, Walmart – not even 40 hours a week – they are trying to make income happen, but if they were offered health care benefits at that job it would be more than their paycheck.”

- Sacramento County worker

Q: Are there any trends you have seen, such as more parents being added on to child-only cases, more families applying, etc.?

Several trends were noted by focus group participants. These included:

- More applications from more individuals who have no experience applying for public assistance programs of any kind. Many also are unaware of resources in the community such as food banks, assistance with utility payments.

“I think there’s a little bit more time we’re spending with them trying to explain the process, first of all what Medi-Cal is for, and why they are not eligible, why they have a share of cost, what other resources are out there. They don’t know about Healthy Families. They don’t know about MIS¹. So that’s a little bit more time you spend with them explaining all of that.”

- Riverside County worker

- An increase in parents asking to add themselves on to previously child-only cases, for example due to a loss of job or reduction in hours.

“One trend I’ve been seeing a lot of in the Moreno Valley is in cases that are traditionally child-only, a lot of the parents are indeed now coming on. They are requesting benefits on what has heretofore been their child’s case. You talk to a lot of these people and they’ll tell you what is going on in their lives. For the first time in X number of years they can’t find a job, they’ve lost their house, they’ve lost their cars. I’ve heard so many horror stories in the last six months.”

- Riverside County worker

¹ The Medically Indigent Services Program is a county-funded program for medically indigent adults not eligible for Medi-Cal.

- An increase in applications from non-elderly, non-disabled adults without children. This population is not eligible for Medi-Cal, meaning that their applications are often quickly denied.

“Now you’ve got 18 to 21 year olds coming in. They’ve moved out of their parents’ home and are no longer on their parents’ coverage. It goes to show you that there are not a lot of benefits out there for this age group. I’ve got individuals applying just to see if they are eligible, they’re not disabled, they have no children. You have to explain to them why they are not eligible.”

- Riverside County worker

- Workers noted that sometimes, COBRA coverage was available to these individuals after a job loss, but it was so expensive that many could not afford it, leaving them without any health coverage.²

“It used to be ... there were a few people unemployed, but primarily they were working or on some type of fixed income. Now I’m seeing ... a huge, huge increase in unemployment. The other day, one of my workers came in to get a [beneficiary identification] card for a lady. Her husband had been employed for 21 years with this company, and was laid off. She no longer had insurance and was seven and a half months pregnant, and hadn’t seen a doctor since January [2010] because they were trying to find insurance or something to pay their own way, because they’re used to doing that.”

- Sacramento County supervisor

- A worker in Los Angeles County noted that she has seen an increase in requests for disability evaluations in cases where the adult applying does not appear to be disabled to the level that they would be eligible for benefits, but takes a gamble hoping that maybe the disability evaluation will be sufficient. Depending on the health issue, the applicant may not meet the Medi-Cal program’s somewhat narrow “presumptive” eligibility rules, and must therefore wait while their disability evaluation is pending at the state level prior to receiving Medi-Cal coverage.

² County medically indigent programs may provide some health care to these adults, but eligibility rules and benefit levels vary from one county to the next. This is the primary population that will be newly eligible for Medicaid benefits under the federal health care reform law starting in January 2014.

“The type of disability they may have is not something presumptive,³ but many applicants still want to go ahead and submit the application anyway. They have a right to apply.”
- Los Angeles County worker

- Another Los Angeles County eligibility worker mentioned a similar trend toward applications from adults who are nearing age 65, but are not yet eligible for Medicare, but have lost employer-based coverage due to job loss and need health care. In the discussion, it was mentioned that a common situation is an applicant who has an urgent health need, like cancer, but no health coverage to provide the necessary care.

“You are talking about older folks, but they are not 65 yet. Some of them want Medi-Cal in case something happens, but they may not be fully disabled. These folks who we are seeing are 60 to 65, and they’ve had hard lives.”
- Los Angeles County worker

- An increase in applications from individuals receiving unemployment benefits, and whose benefits were at the \$450 per week maximum – a level just high enough to render them ineligible for free Medi-Cal. Instead, these individuals would be found eligible for Medi-Cal with a “share of cost” that must be met every month prior to any benefits being paid by Medi-Cal.

“A lot of them had very good jobs, they are educated. So \$450 a week is nothing compared to what they were making. It’s like, ‘How am I going to pay for my mortgage, how am I going to pay for my car?’ You are talking about people in severe crisis.”
- Sacramento County supervisor

- The amount of paperwork to apply for Medi-Cal is also a surprise to clients who are new to the program, especially when many are told at the end that they are not eligible for free coverage.

³ Presumptive disability categories are set by statute and allow the applicant to receive benefits under Medi-Cal while a disability application is being processed by the California Department of Social Services’ Disability Evaluation Division. Applicants with an alleged disability that does not fall into one of the presumptive categories cannot receive benefits until their disability application has been evaluated and approved.

“It doesn’t make sense to them, because they don’t have a job. They have just completed this unbelievable amount of paperwork with very probing questions that are very stressful for them, and then they find out that they aren’t really getting any help.”
- Sacramento County worker

- The focus group attendees in Los Angeles County and Riverside County also mentioned the prevalence of UI benefit receipt among applicants rendering them ineligible for Medi-Cal without a share of cost.
- More complex situations leading to more complex eligibility determinations. For example, many of the workers interviewed stated that a notably higher percentage of applicants have property, homes, cars, retirement accounts, life insurance policies and other assets that must be valued and taken into consideration in the eligibility determination.

“People are used to living a certain way, and the conversation doesn’t go so well when you try to explain to them how Medi-Cal works. People say, ‘I’m so embarrassed I’m in here.’ You have people who are so in need, and you just can’t help them sometimes.”
- Riverside County worker

- Workers tied this trend to more applicants having recently lost good-paying jobs, and also noted that this higher level of assets makes the mail-in application process, which more applicants are utilizing, prone to delays because back-and-forth communication between the worker and the applicant often is necessary to fill in blank questions and collect the necessary verifications.

“People seem to worry that if they tell us everything they have, they may not be eligible. There is so much out there that they might be eligible for, or that their kids might be eligible for, but we need the information. You send them a list of things you need, and then they send some of that back to you. Then you send them a list of the 12 things you need, and they send 9. The questions are quite invasive. For people who have never been in the system, they are like, ‘Why do you need all this information?’”
- Sacramento County worker

- In Los Angeles County, workers talked about how a larger proportion of their applicants owned multiple homes, such as a primary home as well as rental property, and that many were facing foreclosure on one or more mortgages.

Q: How are the conversations you have with applicants and recipients different from a few years ago?

Workers indicated that as funding has been cut for case management in other programs outside of Medi-Cal, they have been getting broader types of questions from their recipients, and are more often asked for help with other programs and services available from the county or community, not just Medi-Cal. One worker in Sacramento County, who had worked for the county in various capacities for more than 20 years and served in her present role since 2004, noted that she felt like she had been playing more of a “case management role” than in the past, fielding questions about food and housing assistance and other needs.

“When you seem to be somebody who will respond to a call or answer your phone, they will call. They may have a question about something that does not really pertain to the Medi-Cal case, it may have something to do with government, but you seem to be the only person who will answer the phone or reply to a call, so you are doing a lot for people. They’ll call saying, ‘Are you my social worker?’ I say, ‘No, I just do eligibility, but I can help you if you have a question. There are questions about where to go get food, job searches, housing.’”

- Sacramento County worker

This sentiment was echoed by other workers in Sacramento County and also mentioned by at least one worker during each of the remaining focus groups in Riverside and Los Angeles Counties. Workers expressed some frustration that they often were unable to assist their clients with resolving these questions, though most indicated that they attempted to connect the client with the relevant state or county department that could help them.

Workers also mentioned noticing an increase in questions related to SSI, the program for children and adults with disabilities that is operated by the federal Social Security Administration. Changes to the way in which the state provides eligibility to individuals who are “dually eligible” for both Medicare and Medicaid were also a source of concern. In particular, workers mentioned a specific policy change that ends the practice of the state paying the monthly Medicare Part B premium (then \$96.40 per month) for dual eligibles. They noted receiving calls from clients regarding this change, and being unable to help.

“That has such a negative on all the [aged, blind and disabled] cases. You have people calling in regards to things that are specifically disallowed now, that aren’t covered, you know, ‘How am I going to take care of my mother,’ it’s just terrible some of the stories you hear. The \$96.40, that premium, that hurts people that are making at best maybe \$1,100 a month. It’s had a tremendous impact on these folks.”

- Riverside County worker

The recent cuts to adult benefits in Medi-Cal also came up in the focus group discussions. Workers expressed concerns over the limitation of services to adults, such as dental and mental health services, and indicated that they do receive questions from their clients about what is or is not covered, why certain benefits were reduced, and what the alternatives are. The workers who discussed this issue expressed sincere concern for the possibility that untreated problems would grow worse. They also mentioned their perception that more of the adults they encountered are depressed and stressed out than in the past, mentioning loss of jobs, unsuccessful job searches, and loss of homes and cars, as issues directly related to the recession.

Another line of discussion that came up in each of the focus groups centered on how applicants viewed the program and the assumptions that they made when applying. For example, workers have encountered many first-time applicants with no knowledge of the publicly run health and human services system. Some of them could benefit from other programs offered through the county, such as the CalWORKs welfare to work program, but are unaware of the program until the worker tells them.

“I have found myself promoting CalWORKs. The client says, ‘I don’t have my job, I can’t pay my rent, I don’t know what I am going to do for the next month,’ and I say to them, ‘You know, we have this program here that can help you with that.’ They don’t know about the program – they have never been in this situation before.”

- Riverside County worker

A worker in Riverside County noted a trend she has seen with parents, who are more often applying for Medi-Cal benefits for their children who are receiving benefits through the Healthy Families program. Healthy Families charges premiums and copayments, whereas Medi-Cal does not [for those eligible for free coverage].

{ “It used to be before they would just put their kids on Healthy Families, they didn’t want the Medi-Cal. But now they come in the office and ask to see a worker because they want the [Medi-Cal] benefits due to the hardships they are having. I think it’s just that times are hard.”
 - Riverside County worker }

Focus group participants were next asked about their ongoing caseloads, meaning clients who had been found eligible for the program. Most parents have ongoing paperwork requirements, such as a “midyear status report” that must be filled out and sent in timely or benefits may be discontinued.

Q: Are people staying on longer and/or being more diligent about turning in forms and paperwork than they were before the recession? When someone loses coverage, do you find that they return to the case more quickly?

The general consensus across all groups was that two things are being observed most often: First, there is a greater likelihood that paperwork is turned in on time to begin with by recipients. When recipients don’t respond, workers observed that it often is because they have changed addresses, moved in with family or friends and/or had their phone changed or disconnected. Second, when paperwork is not turned in timely, there is a much quicker response after a discontinuance notice is sent than in the past, causing eligibility to be restored more quickly (often before the case is officially discontinued, due to the fact that eligibility is done on a full-month basis). If a recipient responds with the necessary information within 30 days of the discontinuance notice being sent, their coverage can be restored without requiring a lengthy reapplication process.

{ “They understand that notice. Once you send it out, they say, ‘Hey!’ and call right away.”
 - Los Angeles County worker }

Retention of eligibility is complicated by the mobility of the families and individuals served in Medi-Cal. Several workers mentioned that their clients appear to be changing addresses and phone numbers more often due to the recession – moving from a home they own to a rental property, moving back in with parents, and so forth. This requires more case maintenance work and can lead to notices being returned or misdelivered more frequently. At the point when that person needs health care, and goes to a doctor’s office, they could find that their coverage has been discontinued because they did not communicate the change in circumstances to their county eligibility worker.

Impressions of Medi-Cal

Part of the conversation focused on how workers discuss Medi-Cal with their families and friends, as well as with members of the public they might encounter – and whether impressions of Medi-Cal had changed as a result of the recession.

Q: Do you feel there is a different (better?) perception today about Medi-Cal in the community than there was before the recession? What do you think it is important for people to know about Californians who are applying for or receiving Medi-Cal?

Workers generally indicated that the conversations they have with friends, family and applicants have changed somewhat due to the recession.

Some common comments about new applicants' perceptions of a program they "never thought in a million years" they'd be applying for included the following:

- People don't realize how poor you have to be to be on the Medi-Cal program. Many who have what, to them, are very low incomes are denied coverage due to assets or put on the share-of-cost program. Workers reported applicants often expressing anger toward them or the government in general when this occurs.

"One of the things that's really hard as far as new customers, they maybe haven't lost everything, so they are over [the resource limit.] They find that absolutely astounding, because they have paid into the system all their life and now they need help. They may only be getting unemployment insurance, and still have some money in savings. They find it hard to wrap their heads around having to spend that money before we can help them. That's really hard."

- Riverside County Eligibility Worker

- The paperwork can be overwhelming. Workers note that they explain a lot of information to clients at the time of intake, such as the mid-year status report requirements, requirements to report certain major changes within 10 days, and to submit annual renewal information. This can be a lot of information to take in all at once, and people often find it difficult to absorb all of these details at once. This information is provided in writing to those who apply on the Internet or by mail, rather than in person.
- Applicants can get very upset about the invasiveness of the questions. They are asked very detailed questions and there is a substantial amount of verification required. Some do not understand why counties are asking for details on their bank accounts and other assets.

“You have people who never in a million years thought they’d be standing in line here. They have friends, neighbors and relatives who have had to apply for our services. They see us as the safety net. It’s people who have never had to think about us – educated people who have never been through this process before.”
- Riverside County Eligibility Worker

How to Improve Medi-Cal

The focus group participants were asked what kinds of changes – to work structure or to the program rules – could make their jobs easier and make it easier for Californians to get coverage? Common suggestions from the workers included the following:

- Structure Medi-Cal more like private insurance, with copayments and/or a sliding scale of premiums, coupled with an increase in eligibility limits so that more people can receive benefits without a share of cost.

“The structure of the program is odd,” said a Sacramento County worker who made this suggestion – a former participant in Medi-Cal herself. “It’s either free or you have a \$600 share of cost. There is no middle ground.”

- Eliminate the mid-year status reports, which currently are required for most parents in the system (though not for children or persons eligible on the base of age or disability). A worker in Riverside County noted that changes to income and assets can be identified by various other sources, many of them electronic rather than paper based, and that recipients of other programs such as CalWORKs and CalFresh (the new name for California’s Food Stamp program) have periodic reporting requirements already, rendering the mid-year status reports duplicative for many clients. Another worker, also in Riverside, noted that the reports she processes most often come back reporting “no changes.”
- Make rules more uniform across programs. Workers across the counties noted that if asset rules, verification requirements and other items could be made more uniform, the process would be less difficult for clients to navigate. As one worker in Riverside County put it, “If you apply for X, you should be able to get Y and Z too.” Instead, each program (Medi-Cal, CalWORKs and CalFresh) has different levels and types of verifications and varying application procedures.

“Each program demands a different level, and often a different type, of verification. We look at resources in one program differently than we do in another.”

Response to Increased Workload/Declining Budgets

Each of the three counties has responded differently to the increased workload due to the recession, coupled with the budget cuts detailed in the county survey section. However, some themes emerged across the counties during the focus groups.

Importantly, eligibility workers are concerned about declining customer service and take their jobs seriously. The workers in the focus groups were generally very knowledgeable about the efforts undertaken in each of their counties to manage workload within existing staff resources, and most had opinions about how to improve upon those efforts. They typically had a strong grasp on the personnel changes within their immediate offices, such as loss of eligibility staff and supervisors and the consolidation of offices or divisions (both of which were mentioned frequently), and were following with interest – if not participating in – county planning efforts for potential further changes.

Workers in Los Angeles County felt happy to be employed in such a deep recession, but some said they bristle when they are told they are “lucky” just to have a job, no matter how stressful it can be. Two perspectives on this were presented at the afternoon session in Los Angeles:

“I’m just grateful for my job. We have been affected by cuts in other programs, but I have heard that in [other counties] they have cut jobs and furloughed workers. Even though it is stressful and we might have changes in the high-level people, I don’t care as long as I have a job.”
- Los Angeles County worker

“On the flip side, that doesn’t mean you can take advantage of me. I work my butt off; I do what I do well. We are here for a reason, to serve the public.”
- Los Angeles County worker

One of the things that some focus group participants wanted to impart to their clientele is that they are feeling the effects of the recession too. A number of workers in the groups reported that their spouses had experienced job loss or cutbacks, resulting in their families living “paycheck to paycheck” and that their children were struggling to get jobs and considering moving back into their homes.

“With the budget cuts, not only is it affecting customers’ lives, it affects the worker’s life, and it’s a lot for a person to take in. You have your own personal stress from home. You’re taking the same cut [the customer is] taking. You may have the same quality of life as they do, or even lower.”
- Riverside County worker

They indicated that the positioning of eligibility offices in the communities they serve plays an important role in imparting to clients that “we are here to help you” and that county staff understand what they are going through.

“Take that stigma out of applying for [Medi-Cal]. They’re doing it with SNAP⁴, that federal campaign where they put it on the tv and the radio, where they basically narrow it down to customers that they can come in and we can help, and they have these requirements. It’s kind of vague, but they know what to expect. If there was something for the services for Medi-Cal, they would definitely zero in [on that].”
- Riverside County Eligibility Worker

Finally, looking forward, participants in the focus groups expressed basic knowledge about the federal health care reform law and indicated their desire that the expansion of eligibility for Medi-Cal as well as the development of subsidized, Exchange-based coverage options would give them more ability to sign applicants up for health care starting in 2014. They generally stated that they feel a great deal of frustration when having to explain to non-disabled, non-elderly adults that Medi-Cal could not serve them. Workers wanted to know more about existing coverage options within the community, in order to make referrals, and wanted to be informed about and involved with the implementation of health care reform.

⁴ The Supplemental Nutrition Assistance Program, the federal name for CalFresh/Food Stamps.

Appendix B – County Human Services Agency Survey

In January 2010, county human services agencies were asked to respond to questions regarding the effects of the recession on Medi-Cal applications and caseloads, as well as the effects of recent budget cuts and underfunding on their staffing, business practices and customer service levels. Forty-eight of California's 58 counties responded to the survey, representing 86.4 percent of the statewide caseload as of June 2009, the most recent data available from the Department of Health Care Services⁵.

The picture painted by these surveys is one of sharply increased demand for services, resulting in increased workload at the same time that staffing levels were being frozen or cut back due to budget cuts and underfunding. County respondents repeatedly indicated a strong commitment to quality customer service and a feeling of frustration that service had suffered due to the combination of increased demand and reduced staffing. Counties reported making many changes – to staffing patterns, workload distribution, and technology – in an attempt to keep pace with demand and enhance customer service.

Recession Increases Demand

From July 2007 to July 2009, the statewide Medi-Cal caseload increased from 6.55 million to nearly 7.1 million, an 8.3 percent increase⁶. Over that time period, counties saw increases ranging from just 0.2 percent in Lassen County to 22.9 percent in Calaveras County (both smaller counties). Among larger counties, the increases ranged from 2.7 percent in Los Angeles County to 18.8 percent in Riverside County. Not surprisingly, nearly all of the survey respondents (45 of 47 counties, or 96 percent) indicated that they were receiving increased Medi-Cal applications due to the recession.

One of the only two counties that indicated that applications were not increasing noted that its Medi-Cal caseload was still going up despite the number of applications received being flat. According to this large county:

“While we have not seen an increase in applications (the number is relatively flat), we've seen a growth in caseload and recipients. This leads us to believe that folks are staying on the program longer (reduced churn). Also, because we use integrated workers in intake, the huge growth in Food Stamp applications and moderate growth in CalWORKs applications have negatively impacted all of our intake operations.”

⁵ State of California, Department of Health Care Services, “Medi-Cal Enrollment by County” - Data downloaded from http://www.dhcs.ca.gov/dataandstats/statistics/Pages/RASS_County_Enrollment.aspx on November 27, 2010.

⁶ Ibid.

Counties that were tracking the reasons clients submitted applications indicated that they were seeing an influx of applicants who had recently lost a job or had their hours scaled back (8 counties), more two-parent families applying than in the past (3 counties), and an increase in workers whose employers had cut or scaled back medical coverage (2 counties). All of these increases were echoed by eligibility workers and supervisors interviewed in focus groups for the purpose of this project.

A large county indicated: “An average of 32.5 percent of Medi-Cal applicants surveyed in 2009 stated that they were applying because their earnings decreased or stopped.”

A different large county also noted that eligibility workers were receiving more changes reported to existing cases than in the past, something that the eligibility workers and supervisors interviewed in focus groups also consistently noted, as described in further detail in that section of the report.

Increases in demand also carry physical consequences. Numerous media accounts have been published during the recession of crowded waiting rooms and lines forming well before county offices open. One medium county indicated in its survey:

“Due to the recession, there are more people waiting in our lobbies, which has caused us to look to make changes in our lobby management practices. Often times the lobby is crowded with long lines and a shortage of seating.”

County Medi-Cal Budget Situation as of January 2010

County Medi-Cal eligibility operations are funded by the state and subject to annual appropriation in the budget act. Historically, the budget has included four key components:

- Base funding carried forward from the prior year.
- Growth funding to reflect eligibility work associated with increased caseload.
- Premise item funding to implement new tasks such as lawsuit settlements or federal or state legislation.
- A “cost of doing business” increase to reflect the increased cost of operations from one year to the next, including salary and benefits increases, utility and operating expense increases, and other increased costs reported by counties.

At the time that counties were surveyed in January 2010, county Medi-Cal eligibility operations had not received a cost-of-doing-business increase for two fiscal years due to the budget crisis facing the state. In the 2009-10 fiscal year,

the Governor vetoed an additional \$121 million total funds (half state General Fund and half federal matching funds) from county eligibility operations funding.

In answering the survey questions, counties were asked to think mostly about their experiences over the prior two fiscal years, including 2008-09 and 2009-10 (referred to as the “current year” at the time that counties completed the survey).

Since the survey, additional cuts were made to the eligibility operations funding for the 2010-11 fiscal year, and the \$121 million veto was continued for a second year. Because the survey was completed prior to the budget being enacted in October 2010, the survey does not address the effects of these additional cuts.

Customer Service Effects of Budget Cuts and Underfunding

Only three of the 48 respondents indicated that the recent budget cuts and underfunding had not had any effect on their eligibility operations. For the other 45 counties, the most common impact was the institution or maintenance of a hiring freeze (29 counties), followed by loss of eligibility staff (22 counties), clerical staff (21 counties) and management staff (19 counties). Other effects observed by counties included the institution or maintenance of furloughs for staff (13 counties) and reduced public office hours (9 counties). Respondents could choose more than one answer from this list.

Thirteen of the counties indicated that loss of eligibility staff was the most critical impact they had experienced, with 10 indicating that hiring freezes were the most critical.

This question also included an open-ended section in which counties were given an opportunity to comment. Some representative comments included:

“While we have not laid off staff supporting the Medi-Cal program, we have not been able to keep up with the increase in applications, resulting in increasing challenges in providing timely customer service and access to benefits.” (Small county)

“Reinvestigations on existing cases are not being conducted timely, new applications take longer to process. We have more applications/cases but the same number of workers.” (Small county)

“Pulled in out stationed staff; in the process of closing and/or consolidating bureaus; have cut lobby hours to allow processing time.” (Large county)

Counties overwhelmingly indicated that these impacts had resulted in reduced customer service, with 39 answering “yes” to this question and only 9 answering “no.” For counties stating that customer service had diminished, 76.3 percent (29

counties) indicated that customer service had decreased about the same for both new clients and clients with existing cases. Six counties, or 15.8 percent, indicated that customer service had decreased for new clients more than for existing clients, with the remaining 3 counties (7.9 percent) indicating that customer service had decreased most for existing clients.

The 39 counties indicating diminished customer service also were asked about the specific types of issues that they were observing. Counties could choose more than one answer from a list. The four most commonly observed customer service issues were:

- There is a longer wait for application processing/eligibility determination. (35 counties)
- We are having difficulty processing annual redeterminations in a timely manner. (31 counties)
- Workers are less responsive to calls and requests for information or help because they are so busy. (31 counties)
- There is a longer wait for an face-to-face meeting with eligibility staff. (30 counties)

Of these choices, respondents selected the longer wait times for application processing as the most critical customer service effect of budget cuts and underfunding (24 counties), followed by difficulty processing annual redeterminations (7 counties) and less responsive workers due to increased workload (5 counties).

In prior years, counties have reported delayed annual redeterminations as the most common result of budget cuts. When asked about the emergence of the application processing issues reported in this survey, county representatives responded that the annual redetermination delays are an existing issue that continues to be of concern, and the survey analyzed here reflects the effects of the more recent budget cuts. In other words, annual redetermination processing has been an area of concern for a number of years, while the application processing concerns are a more recent phenomenon resulting from the increased number of applications being received due to the recession combined with the budget cuts.

County survey comments included the following:

“We have undertaken strategies to redistribute workload as well as to maximize appointment efficiencies, but there is still significant impact on applications and redetermination processing timelines.” (Small county)

“Staff morale is affected when they are unable to provide their usual level of service. Low staff morale affects productivity, and increases union grievances.” (Medium county)

A second tier of reported customer service issues included longer waits for phone interviews with eligibility staff (16 counties), decreased performance/more errors identified by state reviewers (10 counties) and less access through “outstationed” workers, meaning eligibility workers who are placed at locations such as hospitals and clinics (8 counties).

One large county indicated, “While there has been some increased wait times and increases in the time it takes to process applications, we are attempting to mitigate these conditions by offering overtime on Saturdays when fiscally available and the workload need necessitates. All efforts to meet continued customer service goals and mandated processing timeframes with ... less staff.”

Another small county noted: “We have undertaken strategies to redistribute workload as well as to maximize appointment efficiencies, but there is still significant impact on applications and redetermination processing timelines.”

The counties stating that their customer service had not diminished were asked why they thought this was the case. The most common reasons given for the sustained customer service in these nine counties were, “We have undertaken strategies that have worked to redistribute the workload” (chosen by 7 counties) and “We have been able to help our workers be more efficient” (6 counties). One respondent indicated that demand was not as high in that county as it appeared to be in other counties.

Among the nine counties answering that customer service had not diminished, respondents indicated the following:

“We restructured our lobby processes by eliminating [appointments] and helping all clients with any need at first point of contact regardless of assigned worker.” (Medium county)

“While we believe our customer service has taken a hit, we do constantly re-evaluate process to find efficiencies.” (Small county)

Two of the counties (both small) indicated that they felt that the annual funding received from the state was adequate to hire sufficient staff to meet workload demands.

County Operational Responses to Cuts and Underfunding

Counties were asked how they have responded to the cuts and underfunding, such as efforts they have undertaken efforts to increase efficiency and handle the increased caseload demand without hiring new staff. Nearly 90 percent of respondents (40 counties) indicated that they had made changes to their

operational structures in order to respond to budget cuts and/or enhance efficiency. Only six counties – five small counties and one large county – indicated that they had not done so.

Counties indicating that they had made operational changes were asked for specific information about those changes. A little more than half of the 40 counties (21) indicated they had made staffing changes across offices; 18 indicated they had changed how they deploy eligibility workers (i.e., moving from generic workers with cross-program responsibility to program-specific workers, or vice versa); and 16 stated that they had instituted “case banking,” where a portion of the caseload has no regular assigned worker. About one-third (14 counties) had made changes to computer systems to help eligibility staff do more, 11 had pulled back outstationed workers, and 10 indicated that they had created a call center. Just 7 counties indicated that they had reduced or consolidated physical offices.

Staffing Changes and Case Banking

Counties indicated they have moved staff into the Medi-Cal unit from other programs, have cross-trained staff in multiple program areas, have rethought how they use clerical staff (in some cases making greater use of clerical staff and in other cases less use), and have developed more of a team staffing approach to cases.

“We continue to try strategies to resolve the decrease in service delivery through streamlining process and reorganization of staff,” noted a small county.

A large county indicated: “We have changed many practices to improve efficiency over the last couple of years. We are currently cross training all Medi-Cal eligibility staff in the Food Stamp program. This will allow us to shift staff between programs. This is an important budget strategy due to funding uncertainty.”

Respondents also indicated that they have tried to develop procedures that helped maximize the amount of work that staff can perform and minimize the negative impact of things such as missed client appointments.

“We use a team managed approach for both intake and continuing functions instead of individual caseloads. This way the priority work can be assigned out per day by the supervisor,” indicated one small county. “This is referred to as a ‘pull’ vs. ‘push’ system.”

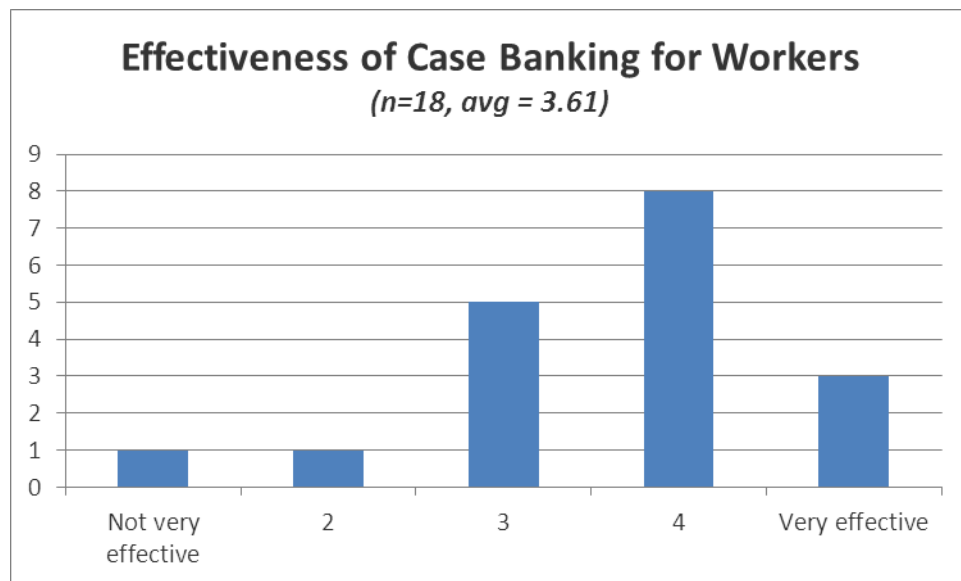
Another small county indicated it is “utilizing [a] team approach to manage larger banked caseloads. Members have assigned tasks they rotate through. [For] example, a person may manage the phone calls for the team one day, see scheduled appointments the next and work cases with verification deadlines the third day.”

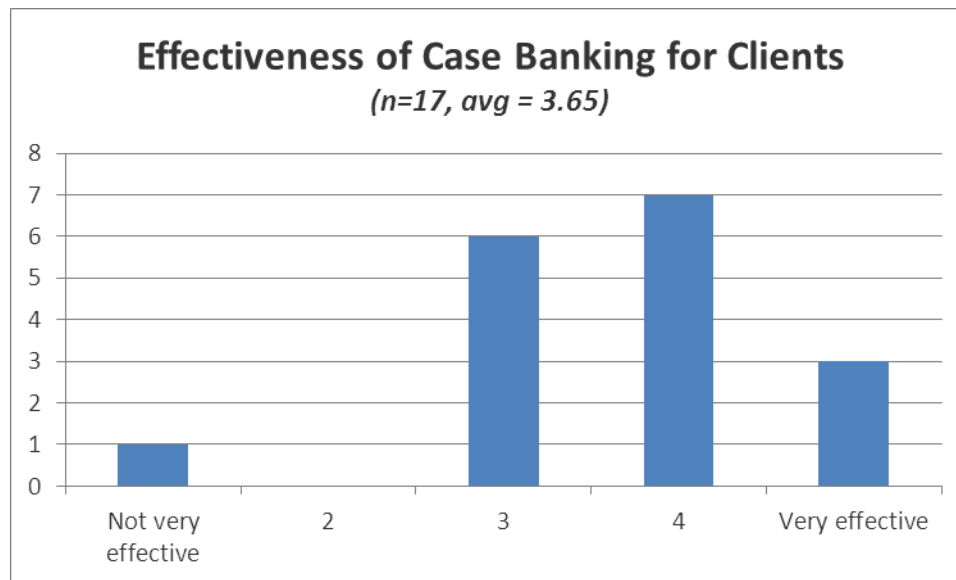
This task-based approach to case management was echoed by several counties of various sizes. One large county described its process:

“The Benefits Service Center uses a task-based model. Workload is allocated between Outreach Workers who handle phone calls and Processing workers who handle RD's, MSR's, etc. The number of phone calls received is monitored in order to deploy additional resources as necessary.”

With respect to case banking, nine of the counties that indicated they bank cases had been doing so for two or more years (since 2007 or earlier), with five instituting it during the past two calendar years (2008 or 2009) and five indicating they were going to implement this practice in 2010. Several additional counties commented that while they had not yet turned to case banking, they were considering doing so and had plans to re-examine the practice. One small county indicated that while it does bank cases, it only does so for certain types of cases (new applications), not for all cases handled by that county.

For counties that had been banking cases, most of the respondents viewed the practice as at least moderately effective for both managing workload and for clients. Asked to rate on a scale of 1 to 5, with one being “Not very effective” and 5 being “Very effective, the average effectiveness rating for workload management was 3.61 and average effectiveness rating for clients was 3.65. [See charts below]





One medium-sized county commented less positively about case banking: “Case banking does not reduce the amount of work still needing to be completed but places more of a burden on the staff or staff person assigned and lends to staff not taking responsibility for the work needing to be completed.”

Staffing changes also received some criticism, including this comment from a different medium-sized county: “Moving to a more task-based system shortens the training needed but affects ability to move people around to fill vacancies or meet new demands.”

One medium-sized county indicated that it had banked cases in the past, but had stopped doing so because it was believed that doing so “made customer service suffer.” However, this respondent indicated that she felt it was likely the county would look again at banking cases and/or instituting a call center in the future. Another large county indicated that it would be reducing district office staff during 2010 due to budget cuts and would be exploring whether to begin using case banking.

“The scope of knowledge needed by our Medi-Cal staff is already very broad. This makes training and delivery of eligibility services more complex for staff,” noted one large county.

These comments indicate that counties are making necessary operational changes to absorb increased demand in a time of budget cuts and underfunding, but these approaches must be balanced with adequate staffing levels, and not every solution is 100 percent positive for client customer service or for county staff. As one small county put it, “We are seeking organizational solutions to address the issue of increased volume, but we are currently at a saturation point with workload volume.”

Computer Changes to Enhance Efficiency

As 14 counties indicated, technological changes can enhance worker efficiency. Several counties mentioned the use of document imaging as a strategy to reduce the amount of paper being processed and stored.

Several counties also commented on enhancements to the automation systems that eligibility workers use, collectively known as the Statewide Automated Welfare System (SAWS), as helping manage the workload. Several small counties mentioned their recent transition from the oldest (now defunct) of these systems, ISAWS, to the newest system, known as C-IV, as a strategy that was helping their workers increase efficiency.

Use of Call Centers

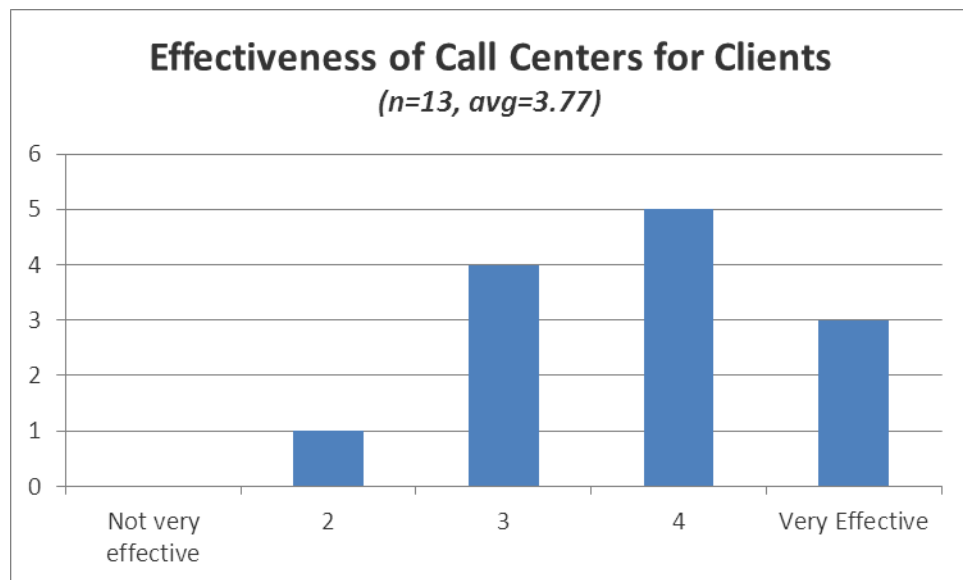
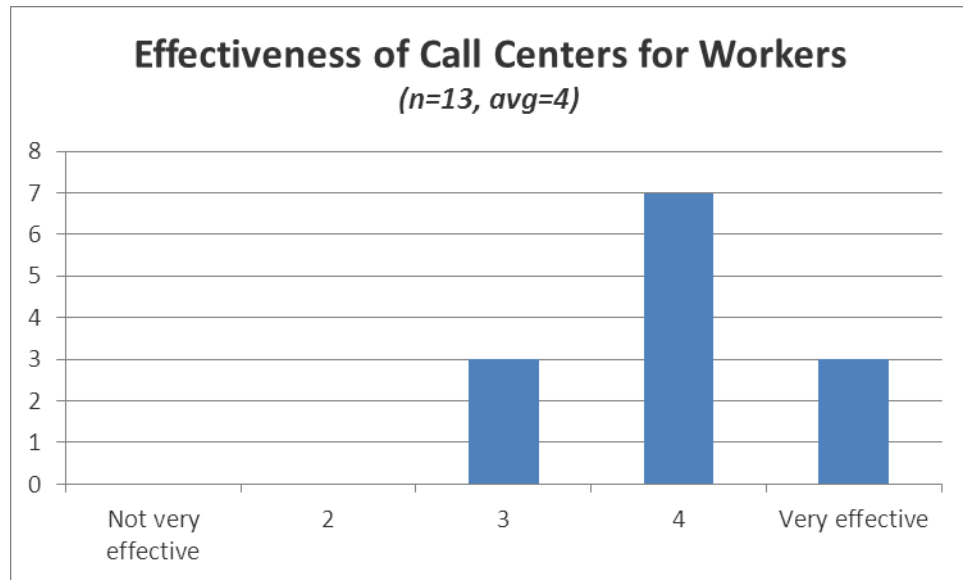
At the time of the survey, a relative minority of counties indicated they had instituted call centers, where calls to the county are first routed to a central answering system where call center staff attempt to address the caller's needs. Five counties indicated that they had a call center in place since 2007 or earlier, eight had created a call center during 2008 or 2009, with three just instituting a call center during 2010.

Several counties indicated that, while they had not implemented call centers, they were exploring whether it made sense to do so. Counties with call centers also indicated that to be effective, the centers need to be adequately staffed.

One small county provided information about its business process that, while not formally considered a call center, uses similar procedures:

"We do not have a call center, however, we have a central place where all calls are taken and handled by OAs unless attention is required by an eligibility worker/supervisor. We have found this to be pretty efficient and effective. We also have a worker of the day so that clients may have direct contact with a person on an as needed basis, ideally without wait."

The 13 counties with existing call centers rated them as quite effective at managing workload and for clients. Again using a scale of 1 to 5, with 1 being "Not very effective" and 5 being "Very effective," the average rating for workload management was 4.0, with an average client effectiveness rating of 3.77. [See charts below]



Summary and Conclusions

The counties surveyed have undertaken a variety of strategies to maintain customer service and meet performance standards despite budget cuts, underfunding, and sharply increased demand. They also expressed concern about the effects of direct service cutbacks on clients.

One large county indicated: “We are looking at strategies and technologies to make our workers and business processes more efficient and effective ... Some of these activities could be seen as less client friendly than our past operations.”

A small county noted that the substantial uncertainty related to the annual budget process also creates issues for eligibility workers and clients. As this county stated, “Preparing for eligibility cuts that ended up not taking place (CEC, MSR for children) used valuable resources with no benefit to county or clients. Reduction in [Medi-Cal] services (dental for adults, etc.) has created additional calls and client contact, though we are unable to aid the client.”

As lawmakers look forward to continuing budget crises and the implementation of the federal health care reform law in 2014, it will continue to be vitally important that counties be included in the decision-making about the future of Medi-Cal.

Appendix C – Methodology

Data Analysis

Analyses are completed using SAS statistical analysis software. Figures and tables are created using Microsoft Excel.

Medi-Cal Enrollment: Time frames from 2006-2009 enrollment files from MEDS were examined to generate figures and report results for quantitative project analyses. Monthly enrollment was examined from January 2006 for the time period well before the start of the economic downturn (December 2007), during the economic downturn (December 2007 – June 2009), and after the official end of the economic downturn when effects were still being felt “on the ground” (July 2009 – December 2009).

For total monthly enrollment, all children ages 0-18 years enrolled through any county in California who were enrolled at any point of time in each month were included. Enrollment was also examined based on:

- Change in Enrollment by Race: The average enrollment (based on monthly enrollment) was calculated for each race in 2009 and 2006, and the difference calculated.
- Change in Enrollment by County: The average enrollment (based on monthly enrollment) was calculated for each individual county in 2009 and 2006, and the difference for each calculated. Maps reflecting the difference were generated using GIS.

Medi-Cal Turnover (adds and drops): The percentage of children 0-18 enrolled in Medi-Cal that dropped from and added to coverage each month were also examined from MEDS. Any enrollees 0-18 years of age enrolled through any county in California were included in the analyses. Added enrollees are those enrolled in a given month, but not the previous month. They may have been enrolled at some other point in time prior to the previous month. Dropped enrollees are those that were enrolled in the previous month, but not in the current month. Drop rates were calculated by dividing the total number of children losing coverage in a month by the total number of children enrolled in the previous month. Add rates were calculated using similar methodology.

Unemployment Data: Unemployment rates were obtained from the 2006 – 2009 American Community Survey (ACS), available from the U.S. Census Bureau (<http://www.census.gov/acs/www/>). Changes in rate are obtained by subtracting 2006 rates from 2009 rates. Unemployment was examined at the county level for all counties in California.

County Worker Surveys

The survey was conducted via the internet through Survey Monkey. Links to the survey were sent to a contact at each county office qualified to answer the questions. Reminders were sent to complete the surveys as well. In the end 48 of the 58 counties participated.

Survey results were compiled and analyzed to obtain and interpret the results.

County Worker Focus Groups

Focus group interviews among county eligibility workers used a semi-structured quantitative tool. Locations for the focus groups were chosen to get a sample from the largest California county also with the most enrollment (Los Angeles) and Southern California (Riverside), and a Northern, diverse county (Sacramento). Six total focus groups were conducted in the three counties (2 in each). They were facilitated by the California County Welfare Directors Association. The focus group format allows perceived “sensitive” information to more likely be elicited, as participants are surrounded by peers. Focus group participants were recruited from county Department of Public and Social Services eligibility workers. These workers were selected through the County Welfare Directors Association’s connections to obtain qualified people to participate. Focus groups were recorded for reference when using the information in this report.